

ENVOYS EXTRAORDINARY AND MINISTERS PLENIPOTENTIARY

William Phillips, of Massachusetts, now ambassador extraordinary and plenipotentiary to Belgium and also envoy extraordinary and minister plenipotentiary to Luxemburg, to be envoy extraordinary and minister plenipotentiary of the United States of America to the Dominion of Canada.

Frederick A. Sterling, of Texas, now a Foreign Service officer of class 1, assigned as counselor of embassy at London, England, to be envoy extraordinary and minister plenipotentiary of the United States of America to the Irish Free State.

SECRETARIES IN THE DIPLOMATIC SERVICE

Joseph F. McGurk, of New Jersey, now a Foreign Service officer of class 6 and a consular officer with the rank of consul, to be also a secretary in the Diplomatic Service of the United States of America.

Clayson W. Aldridge, of New York, now a Foreign Service officer, unclassified, and a consular officer with the rank of vice consul of career, to be also a secretary in the Diplomatic Service of the United States of America.

Harvey S. Gerry, of the District of Columbia, now a Foreign Service officer, unclassified, and a consular officer with the rank of vice consul of career, to be also a secretary in the Diplomatic Service of the United States of America.

Edwin Schoenrich, of Maryland, now a Foreign Service officer, unclassified, and a consular officer with the rank of vice consul of career, to be also a secretary in the Diplomatic Service of the United States of America.

David Williamson, of Colorado, now a Foreign Service officer, unclassified, and a consular officer with the rank of vice consul of career, to be also a secretary in the Diplomatic Service of the United States of America.

COLLECTOR OF CUSTOMS

John W. Robbins, of Omaha, Nebr., to be collector of customs for customs collection district No. 46, with headquarters at Omaha, Nebr., in place of Charles L. Saunders, deceased.

UNITED STATES COAST GUARD

The following-named officers in the Coast Guard of the United States, to rank as such from dates of commissions:

Temporary ensigns to be ensigns

Henry T. Jewell.	Frank Tomkiel.
Frank E. Pollio.	Kenneth A. Coler.
Donald F. deOtte.	Henry J. Betzmer.
John H. Martin.	George C. Whittlesey.
Irving E. Baker.	Beverly E. Moodey.
Gordon A. Littlefield.	John A. Fletcher.

The above-named officers have met the requirements for appointment in the regular Coast Guard, as set forth in section 5 of the act of July 3, 1926.

APPOINTMENTS BY TRANSFER IN THE REGULAR ARMY

To Ordnance Department

Capt. Morris Keene Barroll, jr., Coast Artillery Corps (detailed in Ordnance Department), with rank from December 23, 1919.

First Lieut. Arthur Richardson Baird, Infantry (detailed in Ordnance Department), with rank from July 1, 1920.

To Field Artillery

Capt. David Wilson Craig, Ordnance Department, with rank from September 25, 1919.

Capt. John Jacob Bethurum, Infantry, with rank from July 1, 1920.

PROMOTIONS IN THE REGULAR ARMY

To be captain

First Lieut. John Ter Bush Bissell, Field Artillery, from February 5, 1927.

To be first lieutenant

Second Lieut. James Madison Callicutt, Field Artillery, from February 5, 1927.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 10 (legislative day of February 9), 1927

UNITED STATES ATTORNEY

Amos W. W. Woodcock to be United States attorney, district of Maryland.

POSTMASTERS

CALIFORNIA

Edwin F. Heisser, Glendale.
Charles E. Van Der Oef, Hawthorne.
Bertram C. McMurray, Lancaster.
Alice E. Tate, Lone Pine.

DELAWARE

Rhubert R. German, Delmar.

FLORIDA

Bessie S. May, Holly Hill.
Thomas E. Farrell, Ojus.

ILLINOIS

Marion F. Watt, Atlanta.
Sheldon J. Porterfield, Chatsworth.
Arthur G. Arnin, Columbia.
Thomas E. Richardson, Flanagan.
Seymour Van Deusen, Greenville.
Ross O. Bell, Heyworth.
George H. Bargh, Kinmundy.
Ray W. Birch, Neoga.
Gerald B. Weiss, Shipman.

INDIANA

Allen J. Wilson, Danville.
Irah M. Dausman, Goshen.
Vernon D. Macy, Mooresville.
Stella D. Evans, Russellville.

LOUISIANA

Adrian I. Wilcombe, Hammond.
Theophile P. Talbot, Napoleonville.
James L. Love, Olla.
Dudley V. Wigner, Vidalia.

MONTANA

Roy W. Broman, Ismay.
Estella K. Smith, Lima.
Joseph Brooks, Livingston.
Duncan Gillespie, Windham.

OKLAHOMA

Elmer D. Rook, Sayre.
Edith B. Foster, Wagoner.

WASHINGTON

Tolaver T. Richardson, Northport.
Robert L. Wright, Omak.
Frank Givens, Port Orchard.
Edward Hinkley, Snohomish.

HOUSE OF REPRESENTATIVES

THURSDAY, February 10, 1927

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our heavenly Father and our God, who smiles in the sunshine, sings the song of gladness in the outstretched sky, in flowers, in the throats of birds, and in the laughter of little children, keep our hearts in tune with Thee. May we not allow anything to kill our finer natures. We would that every sweet, simple thing in all the earth be symbolic of some joyous, wonderful mystery to be revealed. O Thou who art the Ancient of Days, who led our fathers to summits of faith and assurance, lead us on. Help us in the mightier matters of life; always may we feel the supreme obligation to leave the world better and more cheerful for having passed this way. We pray in the holy name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

CONSTRUCTION OF DEEP WATERWAY

Mr. DOWELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a resolution passed by the Iowa General Assembly relative to construction of a deep St. Lawrence waterway and the improvement of the Mississippi River.

The SPEAKER. The gentleman from Iowa asks unanimous consent to extend his remarks in the manner indicated. Is there objection? [After a pause.] The Chair hears none.

Mr. DOWELL. Mr. Speaker, under the leave to extend my marks in the RECORD, I include the following house concurrent resolution of the Legislature of Iowa:

House Concurrent Resolution 3

Be it resolved by the house (the senate concurring)—

Whereas the vast interior of the United States is without water transportation or direct access to the oceans, and as there reside in this area about 40,000,000 people, who make their livelihood, directly or indirectly, out of the basic industry, agriculture, and the increased transportation costs to world markets from the mid-continent have had serious results to agriculture, affecting this section from 6 to 18

cents per bushel upon grain, and which has not been accompanied by similar increases in many agricultural countries which compete with ours, because they possess greater accessibility to seaboard, and sea rates in such countries are about the same as before the war, and

Whereas nature, by providing the Mississippi River and the St. Lawrence River, has done much toward providing the interior of the United States with access to the sea, and as the construction of a shipway of sufficient depth to admit ocean shipping from the Atlantic to the Great Lakes and the improvement of the Mississippi for water transportation would lessen the economical handicaps of adverse transportation costs from the vast area in the interior of this continent, and as the price levels of grain in this area would be thereby increased accordingly, and as other commodities and industries of the interior would be likewise benefited by the construction of such waterways, and

Whereas the American Commission, of which Hon. Herbert Hoover is chairman, has made exhaustive study and investigation of the practicability of the construction of the St. Lawrence waterway and of the benefits to flow therefrom; and as such benefits would many times exceed the cost thereof, and construction of such waterway has been recommended by the American Commission: Now therefore be it

Resolved by the house of representatives (the senate concurring), That the Legislature of the State of Iowa in regular session assembled hereby heartily approve the plan and project for the construction of a deep St. Lawrence River waterway and the improvement of the Mississippi River, and hereby requests the Senators and Congressmen from this State to use their best efforts and endeavors to bring about the immediate passage of the necessary legislation for the construction of the St. Lawrence waterway and for the improvement of the Mississippi waterway; that a copy of this resolution be sent to each of the Senators and Congressmen of this State, and to Hon. Herbert Hoover as chairman of the American commission, and to the legislatures of the interior States now in session.

L. V. CARTER,
Speaker of the House.
A. C. GUSTAFSON,
Chief Clerk of the House.
CLEM F. KIMBALL,
President of the Senate.
WALTER H. BEAM,
Secretary of the Senate.

Adopted February 3, 1927.

MESSAGE FROM THE PRESIDENT

A message, in writing, from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also announced that the President had on dates as indicated below approved and signed House bills and House joint resolution of the following titles:

On February 8, 1927:

H. R. 4502. An act declaring pistols, revolvers, and other firearms capable of being concealed on the person nonmailable and providing penalty;

H. R. 9268. An act to amend the agricultural credits act of 1923;

H. R. 6384. An act to amend the acts of June 7, 1924, and March 3, 1925, granting certain public lands to the city of Phoenix, Ariz.;

H. R. 7776. An act for the reimbursement of Emma E. L. Pulliam;

H. R. 7849. An act for the relief of Ella Miller;

H. R. 8784. An act for the relief of Bertha M. Leville;

H. R. 11139. An act for the relief of Celestina Mateos;

H. R. 12952. An act to authorize the village of Decatur, in the State of Nebraska, to construct a bridge across the Missouri River between the States of Nebraska and Iowa;

H. R. 13453. An act to amend the act providing additional aid for the American Printing House for the Blind; and

H. R. 14250. An act to authorize reimposition and extension of the trust period on lands held for the use and benefit of the Capitan Grande Band of Indians in California.

On February 9, 1927:

H. R. 10900. An act to authorize the incorporated town of Wrangell, Alaska, to issue bonds in any sum not exceeding \$30,000 for the purpose of improving the town's waterworks system;

H. R. 10901. An act to authorize the incorporated town of Wrangell, Alaska, to issue bonds in any sum not exceeding \$50,000 for the purpose of constructing and equipping a public-school building in the town of Wrangell, Alaska;

H. R. 11174. An act to amend section 8 of the act of September 1, 1916 (39 Stat. L. p. 716), and for other purposes;

H. R. 11843. An act to authorize the incorporated town of Fairbanks, Alaska, to issue bonds for the purchasing, construction, and maintenance of an electric light and power plant, telephone system, pumping station, and repairs to the water front, and for other purposes; and

H. R. 13778. An act for the relief of certain citizens of Eagle Pass, Tex.

On February 9, 1927:

H. J. Res. 100. Joint resolution to authorize the Secretary of War to expend not to exceed \$125,000 for the protection of Government property adjacent to Lowell Creek, Alaska;

H. R. 2190. An act for the relief of Agnes W. Wilcox;

H. R. 2994. An act for the relief of Harry J. Dabel;

H. R. 8923. An act for the relief of Sheffield Co., a corporation of Americus, Ga.;

H. R. 10424. An act to ratify the action of a local board of sales control in respect of a contract between the United States and Max Jagedorn, of La Grange, Ga.;

H. R. 11259. An act to reimburse or compensate James E. Parker for money, clothing, and other property misplaced or appropriated by United States authorities during the World War;

H. R. 11586. An act for the relief of Fannie B. Armstrong;

H. R. 15127. An act for the relief of sufferers from floods in the vicinity of Fabens and El Paso, Tex., in September, 1925;

H. R. 15649. An act to provide for the eradication or control of the European corn borer; and

H. R. 16023. An act relating to the transfusion of blood by members of the Military Establishment.

On February 10, 1927:

H. J. Res. 202. Joint resolution to amend the act entitled "An act granting the consent of Congress for the construction of a bridge across the Delaware River at or near Burlington, N. J.," approved May 21, 1926.

COMMANDER GEORGE M. BAUM

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 4553 and agree to the Senate amendments.

The SPEAKER. The Clerk will report the bill by title.

The Clerk read as follows:

An act (H. R. 4553) authorizing the President to restore Commander George M. Baum, United States Navy, to a place on the list of commanders of the Navy to rank next after Commander David W. Bagley, United States Navy.

The Senate amendments were read.

The SPEAKER. Is there objection?

Mr. GARNER of Texas. Mr. Speaker, reserving the right to object, I said yesterday morning and gave notice to some gentlemen calling up bills and asking unanimous consent they be sent to conference or agree to the Senate amendments that hereafter they must make a statement to the effect they had consulted the minority, and I think that rule should apply also to the minority, and unless such statement be made I object.

Mr. VINSON of Georgia. I will say I am directed by the chairman of the Committee on Naval Affairs to call up this bill and ask the House to agree to the Senate amendments. This is a private bill and is not in the category of the objection which the gentleman would make.

Mr. GARNER of Texas. I think it should apply to private bills or any other bill. When gentlemen on either side of the Chamber call up a bill and ask unanimous consent to agree to the amendments put on by the Senate or to disagree and send it to conference they ought to designate at the time that they have consulted with the minority or the majority side and have their consent.

Mr. TINCHER. But in this case he is directed by the chairman of the committee.

Mr. GARNER of Texas. He states it now, but he did not originally. I am perfectly willing.

Mr. VINSON of Georgia. I will state that the last suggestion is not in accord with the rule. The rule merely directs to ask unanimous consent and then the gentleman might elicit the information that he sees fit.

Mr. GARNER of Texas. Well, I will continue to do that.

The SPEAKER. Does the gentleman object?

Mr. GARNER of Texas. No, I do not; since he has said that it was agreeable to the gentleman from Pennsylvania [Mr. BUTLER], the chairman of the committee.

The Senate amendments were agreed to.

BRIDGE ACROSS CHESAPEAKE BAY

Mr. LINTHICUM. Mr. Speaker, I ask to take from the Speaker's table the bill (H. R. 13485) granting permission for the construction of a bridge across Chesapeake Bay, and to substitute therefor the bill S. 4553. This is a bill of some importance, and I have consulted with the chairman of the committee and it is satisfactory to him for it to be called up.

The SPEAKER. The gentleman from Maryland asks unanimous consent to take from the Speaker's table the bill S. 4553, which the Clerk will report by title.

The Clerk read as follows:

An act (S. 4553) granting the consent of Congress to the Chesapeake Bay Bridge Co. to construct a bridge across the Chesapeake Bay from a point in Baltimore County to a point in Kent County, in the State of Maryland.

The SPEAKER. Is there objection?

Mr. APPLEBY. Mr. Speaker, reserving the right to object, I would like to have a little fuller statement. Is there a report that goes with this bill?

Mr. LINTHICUM. I will say it is entirely agreeable to the Secretary of War.

Mr. APPLEBY. I withdraw the objection.

Mr. HILL of Maryland. I hope the gentleman will not object. The bill has already passed the Senate.

Mr. GARRETT of Tennessee. Reserving the right to object, Mr. Speaker—and I shall not object—

Mr. LINTHICUM. Mr. Speaker, I make the point of order that the objection has come too late.

The SPEAKER. The Chair will recognize the gentleman from Tennessee.

Mr. GARRETT of Tennessee. I want to say this in regard to that bill, if it is the bill I have in mind. There are three sections in that bill that ought to come out, for this reason, that it is an effort by the Federal Government to control the price at which a State may acquire a bridge that is wholly intrastate in character, and to the building of which the Federal Government will not contribute a single dollar.

I repeat, I am not going to object, and in the parliamentary status it is in now I can not offer an amendment. But I simply want to give notice that I protest against that invasion into a field in which the Federal Government has no business.

Mr. CHINDBLOM. Reserving the right to object, Mr. Speaker, may I ask the gentleman if the Interstate and Foreign Commerce Committee was consulted about the acceptance of this amendment?

Mr. LINTHICUM. The amendment is provided by the War Department and the Interstate Commerce Commission. They are in conformity with the regulations of the Government in regard to all bridges.

Mr. CHINDBLOM. Has the gentleman from Illinois [Mr. DENISON], who always represents the Interstate Commerce Committee in these bridge matters, been consulted?

Mr. LINTHICUM. Yes; he has been consulted, and it is satisfactory to him.

Mr. TILSON. Mr. Speaker, may the bill be reported, so that we may know what it is?

The SPEAKER. The Clerk will report the bill by title.

Mr. LINTHICUM. I shall be glad to give information upon the bill.

Mr. TILSON. May we have the amendment reported before unanimous consent is given for action?

Mr. LINTHICUM. I shall be very glad to give a full statement in regard to the bill.

The SPEAKER. The Chair is informed that this is a Senate bill, but it conforms to the amendments reported in the House bill.

Mr. LINTHICUM. It is identical.

The SPEAKER. But there are no amendments in the Senate bill. Without objection, the Clerk will report the Senate bill.

The Clerk read as follows:

[S. 4553, 69th Cong., 2d sess.]

A bill (S. 4553) granting the consent of Congress to the Chesapeake Bay Bridge Co. to construct a bridge across the Chesapeake Bay from a point in Baltimore County to a point in Kent County in the State of Maryland

Be it enacted, etc., That the consent of Congress is hereby granted to the said Chesapeake Bay Bridge Co., a corporation organized and existing under the laws of the State of Maryland, its successors and assigns, to construct, maintain, and operate a bridge and approaches thereto across the Chesapeake Bay, at a point suitable to the interests of navigation, from a point in Baltimore County, Md., near the mouth of Back River, to a point in Kent County, Md., between Rock Hall and Tolchester Beach, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act: *Provided*, That in the interests of national defense, and for the protection of life and property, the Secretary of War is hereby authorized and empowered, when, in his judgment, military necessity shall require it, to close said bridge to traffic at such time and during such periods as he may determine.

SEC. 2. After the completion of such bridge, as determined by the Secretary of War, either the State of Maryland, any political subdivision thereof within or adjoining which any part of such bridge is located, or any two or more of them jointly, may at any time acquire

and take over all right, title, and interest in such bridge and its approaches, and any interests in real property necessary therefor, by purchase or condemnation in accordance with the laws of such State governing the acquisition of private property for public purposes by condemnation. If at any time after the expiration of 30 years after the completion of such bridge the same is acquired by condemnation, the amount of damages or compensation to be allowed shall not include good will, going value, or prospective revenues or profits, but shall be limited to the sum of (1) the actual cost of constructing such bridge and its approaches, less a reasonable deduction for actual depreciation in value, (2) the actual cost of acquiring such interests in real property, (3) actual financing and promotion cost, not to exceed 10 per cent of the sum of the cost of constructing the bridge and its approaches and acquiring such interest in real property, and (4) actual expenditures for necessary improvements.

SEC. 3. If such bridge shall at any time be taken over or acquired by any municipality or other political subdivision or subdivisions of the State of Maryland under the provisions of section 3 of this act, and if tolls are charged for the use thereof, the rates of toll shall be so adjusted as to provide a fund sufficient to pay for the cost of maintaining, repairing, and operating the bridge and its approaches, and to provide a sinking fund sufficient to amortize the amount paid for such bridge and its approaches as soon as possible under reasonable charges, but within a period of not to exceed 30 years from the date of acquiring the same. After a sinking fund sufficient to amortize the cost of acquiring the bridge and its approaches shall have been provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of tolls shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper care, repair, maintenance, and operation of the bridge and its approaches. An accurate record of the amount paid for the bridge and its approaches, the expenditures for operating, repairing, and maintaining the same, and of daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 4. The said Chesapeake Bay Bridge Co., its successors, and assigns shall within 90 days after the completion of such bridge file with the Secretary of War a sworn itemized statement showing the actual original cost of constructing such bridge and its approaches, the actual cost of acquiring any interest in real property necessary therefor, and the actual financing and promotion cost. The Secretary of War may at any time within three years after the completion of such bridge investigate the actual cost of constructing the same, and for such purpose the said Chesapeake Bay Bridge Co., its successors, and assigns shall make available all of its records in connection with the financing and the construction thereof. The findings of the Secretary of War, as to the actual original cost of the bridge, shall be conclusive, subject only to review in a court of equity for fraud or gross mistake.

SEC. 5. The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to the Chesapeake Bay Bridge Co., its successors, and assigns, and any corporation to which or any person to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation or person.

SEC. 6. The right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. DOWELL. Mr. Speaker, I make the point of order that this bill can not be called up from the Speaker's table without the action of the committee, and that action has not been taken. It is being sought to call it up here by the Member who is not a member of the committee.

The SPEAKER. The gentleman has asked unanimous consent.

Mr. DOWELL. Then I object.

Mr. LINTHICUM. Will the gentleman reserve his objection for a moment?

Mr. DOWELL. Yes. Reserving the right to object, may I inquire whether this matter has been submitted to the Bureau of Roads in the Department of Agriculture?

Mr. LINTHICUM. It has the approval of the War Department and of the Department of Agriculture; and the House bill, which is identical with it, has the approval and report of the committee, as the chairman will tell you.

Mr. DOWELL. Why is it the committee has not seen fit to take up this bill when it is being called apparently without the knowledge and consent of the committee?

Mr. LINTHICUM. Because it was a courtesy to me.

Mr. DOWELL. It is not known to the chairman what has happened to this bill. I think we should be advised as to this bill and as to another bill when a bill of this character is called up.

Mr. PARKER. Does the gentleman from Illinois [Mr. DENISON], the chairman of the subcommittee, know about that?

Mr. LINTHICUM. Yes, I spoke to him yesterday about it.
Mr. APPLEBY. Reserving the right to object, Mr. Speaker, I would like to ask the gentleman from Maryland a question. Does this bill provide for any more toll bridges in the State of Maryland?

Mr. LINTHICUM. It is impossible for the State of Maryland to build a bridge across the Chesapeake Bay out of its own funds. This bridge will cost \$10,000,000.

Mr. DOWELL. Unless the gentleman waives a speech, I shall have to object.

Mr. LINTHICUM. Then I shall not speak.

The SPEAKER. Is there objection?

There was no objection.

Mr. LINTHICUM. I ask unanimous consent, Mr. Speaker, that the identical House bill be laid on the table.

The SPEAKER. The gentleman from Maryland asks unanimous consent that the similar House bill be laid on the table. Is there objection?

There was no objection.

Mr. HILL of Maryland. Mr. Speaker, I ask unanimous consent to revise and extend my remarks on this bill.

The SPEAKER. Is there objection to the requests of the gentleman from Maryland?

There was no objection.

Mr. HILL of Maryland. Mr. Speaker, House bill 13485 grants permission for the construction of a bridge across the Chesapeake Bay. The Senate has already passed Senate bill 4553 for the same purpose. This bill grants the consent of Congress to the Chesapeake Bay Bridge Co. to construct a bridge across the Chesapeake Bay from a point in Baltimore County to a point in Kent County, in the State of Maryland. I appreciate very much the action of the gentleman from Tennessee [Mr. GARRETT] in not objecting to the present consideration of this bill, since it is of great importance to the State of Maryland.

When the bridge was first suggested certain objections were raised on the part of the War Department, but all those objections have been removed, and the Secretary of War, Colonel Davis, has approved the bill as it has passed the Senate and as it is now before the House. I hope that this bill will pass. Nothing is more essential to the development of the State of Maryland than closer contact between the eastern and western shores, and the building of this bridge will bring Baltimore City much closer to the Eastern Shore.

In reference to Baltimore City I desire to call to the attention of the House the following extract from this afternoon's Baltimore Evening Sun:

[From the Evening Sun, February 10, 1927]

JOHN PHILIP HILL said to-day that "under no possible circumstance can I be a candidate for mayor of Baltimore."

Mr. HILL's statement was in answer to a question as to what his attitude would be toward the meeting of the City Republican Committee, called for Friday night, at which it is planned to put his name forward as the Republican Party's candidate for mayor.

The Friday-night meeting was called by Charles W. Main, chairman of the Republican City Committee, at the request of State Senator Harry O. Levin. Senator Levin asked Mr. Main last week to call the meeting and said at the time he expected to be criticized for trying to hurry action.

HILL's statement that he would not be a candidate did not surprise those Republicans who are interested in having him for the candidate. They said they expected opposition from HILL, but hope to be able to persuade him to make "a personal sacrifice" for the good of the party.

HILL IDEAL CANDIDATE, SAYS LEVIN

Expressing the feeling of himself and others who advocate HILL's candidacy, Senator Levin said:

"The Republican Party has been very fair to Mr. HILL, and he should make some sacrifice now in the interest of the party's welfare. He is an ideal candidate, well liked by the Republicans and Democrats, too, and could defeat either Howard Jackson or Walter Graham."

HILL'S STATEMENT

HILL made the following statement as to his attitude:

"I am very proud to be a Baltimorean. Although I was born in Annapolis, I have lived in Baltimore since I was 1 month old. Baltimore is a great and growing city. Any man would welcome the opportunity to assist in the development of Baltimore by being its mayor.

"For 15 years I have been in public service—for 5 years as United States district attorney, for nearly 4 more in the Army, and for 6 years as a Member of Congress. I have enjoyed this work most thoroughly. But on the 5th of March I propose to resume the active practice of law, which I gave up when I entered Congress.

"UNDER NO CIRCUMSTANCES"

"I have devoted all of my time for six years to public business and I have enjoyed it. I am deeply interested in Baltimore city govern-

ment, but my plans for my law practice are such that under no possible circumstances can I be a candidate for mayor of Baltimore.

"I believe strongly that both the Democratic and the Republican parties will best serve Baltimore by presenting their strongest possible men as candidates for mayor.

"I appreciate very sincerely the suggestion that I become a candidate. But the commitments which I have already made as a lawyer will prevent my being a candidate for mayor."

It is a very interesting and important thing to be mayor of Baltimore City, but under no circumstances can I accept the nomination. I am deeply interested in Baltimore and I should enjoy enormously being its chief executive, but after the end of this session I must devote my time to my own personal affairs, which for six years I have neglected.

I hope that this Chesapeake Bay bridge bill will pass, and I feel confident that it will do so.

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an address delivered by me before the Women's Conference of National Defense.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McSWAIN. Mr. Speaker, under leave granted by unanimous consent, I am printing the address this day delivered by me to the Women's Patriotic Conference on National Defense in this city:

WAR THE WHOLE NATION'S BUSINESS

The Constitution of the United States has been universally appraised as the highest perfection of wisdom among the fundamental documents of government. Many particular parts have been singled out from time to time for special consideration and commendation. I do not remember ever to have seen any particular discussion of the wisdom and significance of having lodged the power to declare war in the Congress. Among all the older nations of the world the power to declare and commence war had been lodged exclusively with the executive power, so that kings and emperors had made war, from time immemorial, to suit their own interests, ambitions, or whims, and consulted the representatives of the people, if any there were, only after the commencement of war in order to procure the financial resources wherewith to carry on war.

But the erection of the American Republic of republics, the commencement of a great Federal State in this Western Hemisphere had as a background the fundamental conception of the Declaration of Independence, that "governments rest upon the consent of the governed," and exist to secure the life, liberty, and property of the people. Therefore it was but a logical application of this fundamental premise, that the Constitution makers should propose and that the people in their several State conventions should accept a constitution that lodged the law-making power in all the representatives of all the States.

THE PEOPLE, THROUGH CONGRESS, DECLARE WAR

The President alone conducts diplomatic relations with other nations, but the President can make treaties only by and with the consent of two-thirds of all the Senators. This was a hitherto unthought of limitation upon Executive power. It had theretofore been conceived as preposterous that the people's representatives should have a veto power in the making of treaties between the royal rulers. This limitation of power is constantly in the minds of Presidents and their executive advisers in the negotiation of treaties and, doubtless, has ever been a wholesome and restraining influence. Though the President is unrestrained in conducting international affairs, yet he must and does feel constantly the restraining check that his international policies can not be enforced with physical power in war without the approval of both Houses of Congress. But the principle runs further back.

The President must calculate upon receiving the approval of an overwhelming majority of the individual citizens of the Republic. It is constantly in his thinking that Members of Congress must respect and heed the wishes and feelings of their constituents. The President remembers that Members of the House of Representatives are all elected every two years and that one-third of all the Senators are elected every two years. Therefore, the President must be so cautious and prudent in handling international situations as to feel sure that the same will be approved by a clear majority of the people. If the President fails to take these fundamental conceptions into consideration, and rushes headlong and unadvised into complications with foreign countries that can be settled only by use of physical force, he may find himself greatly embarrassed by failing to receive the support of the Congress, and be, therefore, compelled to retreat from his diplomatic predicament.

NO AGGRESSIVE WAR BY AMERICA

This particular lodgment of the war-making power in the hands of the representatives of the people insures our Nation against a policy of aggression. The Constitution makers all knew from either personal

experience or close observation the horrors and demoralizing and destructive attributes of war. But they were wise men and realized the forces that had been operating upon mankind and among nations since long before the beginning of recorded history. Our forefathers, who laid the foundation of this Government of the people, by the people, and for the people, well knew the ambitions and covetousness that from time to time seize the rulers and directors of nations. Wisely, therefore, did they lodge in the central Federal Government the sole and exclusive power of declaring, conducting, and concluding war.

Many powers of sovereignty were left and some still remain with the several States. But, in the interest of the general welfare and common defense, the war-making power was placed with the one Government that represents all the people of all the sections. This Constitution conferred upon the Federal Government not only the power to declare and carry on war but the power to "raise armies," and the power to "support armies." The Constitution likewise conferred the power to "provide a navy," and to "maintain a navy." There is far-reaching significance in these words, to "support an army" and to "maintain a navy." They imply more than enlisting men and building ships. They imply the power to acquire by the exercise of the supreme and absolute sovereignty that must rest in any nation to take whatever physical resources and material may, in the judgment of the Federal Government, be necessary for the proper "support" of that army and for the proper "maintenance" of that navy.

NO "VETO" BY PEOPLE AFTER WAR IS DECLARED

Some men have argued that, while the Constitution says that Congress may "raise armies," it means that it may only open recruiting stations and offer low compensation and, by a beating of drums and waving of flags, induce men to volunteer to enter the Federal Army. It has been argued that to confine the raising of armies to the volunteer system would be a wise and salutary restraint upon Congress in declaring war, so that the people, by refusing to volunteer, could virtually "veto" a declaration of war by Congress. But the Supreme Court of the United States has in several cases solemnly and unequivocally sustained the power of Congress to reach, with supreme and sovereign hand, and take, by a selective-service draft, such human instrumentalities, either men or women, as the Congress may in the exercise of its power declare to be essential to the raising of armies in order to provide for the common defense.

By the same reasoning, by the same inevitable logic, it must follow that the power to "support" the armies thus raised is unlimited and unrestrained and may be exercised at the uncontrollable discretion of Congress. It therefore remains only for the Congress, with the approval of the President, to say how these armies, raised to defend the Nation's life, shall be supported.

POWER TO "TAKE" WAR SUPPLIES

Heretofore the usual policy of the Government in the supporting of armies has been the "volunteer system." People have been begged and cajoled into buying bonds essential to finance armies in the field. By the same reasoning it has been argued that to leave the supporting of armies upon this volunteer basis would amount to leaving with the people the "final veto power on war." Congress may declare the war, and may, by a selective service draft, so formulated as to produce the least dislocation in the industrial and social life of the Nation, take those persons that may be best spared from the homes and the farms and the factories and the professions of the Nation, yet, after the armies have been "raised" and are in the field and are at the front and are facing the foe, they may be totally paralyzed by the failure of the people back home to "volunteer" sufficient funds to continue the fight. Such contemplation sickens the heart of the genuine patriot. The same power that gives Congress the right to "take" the man from his family and from his farm and from his factory gives Congress the right to "take" such of the produce of the farm and such of the product of the factory as may be necessary to "support and maintain" the soldier in camp and in field and in trench.

PRUDENCE AND CAUTION IN DECLARING WAR

As Americans we believe in and insist upon freedom of opinion and freedom of expression of opinion, either by mouth or by the press. There should ever be the amplest discussion in Congress and in the country before war is commenced. All groups of opinion should be tolerantly heard. The President and the Members of Congress should solemnly contemplate all the possible consequences of an entry into war. They should patiently and prayerfully seek to avert war. Only actual defense of our physical integrity or of our national principles and honor, which are more than life itself, should ever provoke us to war. God has been good in gathering some of the choice pioneer spirits from many nations and planting them upon this new continent, free from the traditions and customs of the feudal nations, and in permitting them to develop here a civilization unrivaled in power and in variety in all the annals of time. The President and the Congress should and do contemplate the fact that the nations of the whole world are becoming so interrelated by commerce and communication as to make it practically impossible to localize war. The war from 1914 to

1918 is universally described as the World War, and yet it may be fairly concluded that its vast proportions will be far exceeded by the next clash among the nations. Like a prairie or forest fire, when once the fury of war commences no limits can be set, no bounds prescribed, no time fixed, and no measure set.

WAR, ONCE DECLARED, BINDS EACH AND ALL

But, after all voices have been heard in the Nation, after the President, with full realization of the responsibility, has pronounced the situation such that war alone is the answer, after the Congress, conscious of direct responsibility to the people, shall have declared war, then, in my humble opinion, the case is foreclosed, judgment has been rendered, the matter has had its day in court; and henceforth no man dare deny his individual obligation to contribute to the utmost limit of his power, either by direct participation as a soldier, or by direct contribution to the material and financial support of the Army and Navy. From the very moment that Congress, representing all, declares war, it binds every citizen, whatever may be his private and individual judgment of the merits. It becomes the law of the land and henceforth the only course for every person is to help to fight it through. There must be no "vetoing" of this war-making power in Congress. If adequate volunteers do not rush to the colors, the country may "command" her sons and daughters and "compel" them to go. If adequate resources are not voluntarily contributed, then by the same power, for the same purpose, the Congress can "take" whatever the Army and Navy may need in order that the full force of the military power may be exerted.

JUST COMPENSATION FOR ALL PROPERTY TAKEN

But we are reminded that one part of this very same Constitution, to wit: The fifth amendment, declares that private property shall not be taken for public use without just compensation therefor. When properly understood, the fifth amendment offers no obstacle to the war-making power of our Government.

It does not provide that private property shall never be taken for a public purpose, but merely prescribes that payment shall be made therefor. Such provision is wise and just. It would be manifestly unfair to take one man's factory or one man's railroad or one man's coal mine or one man's farm or one man's steamboat and use the same in carrying on war and make no adequate compensation for the use thereof, while other citizens, under equal obligation to help carry on war, have their factories or their railroads or their coal mines or their farms or their steamboats untouched and unharmed. But the fifth amendment does not say that the property shall be paid for "before" its use, and merely provides that at some time "just" compensation shall be made. Therefore, in the emergency, whatever property is needed may be taken and taken instantly, and thereafter just compensation made, and that compensation must be "just" not only to the owner but also "just" to the public that pays. "Justice" means fairness and reasonableness under the circumstances. Therefore, justice requires that no fabulous, fictitious, and inflated war-time prices shall be paid for property taken and used. The same principle was applied in making just compensation for "man power" during the recent World War. Congress had prescribed the monthly pay for soldiers to range from \$30 a month upward. But after the war, good conscience and justice, not legal obligation, declared that such compensation was inadequate and, after much discussion, Congress passed legislation to adjust and pay additional compensation for the services of the soldiers. There was no constitutional obligation to do this.

Congress may draft the soldiers without providing one single cent of compensation, even during the period of service. But would Congress do such an unjust thing? Members of Congress know that they are answerable to the soldiers, and under our system of Government the voice of the people is finally supreme. Therefore, the provisions of the fifth amendment merely conform to the ideals of republican institutions and demand a democratic exercise of the war-making power.

EQUALIZE BURDENS OF WAR THROUGH "POWER TO TAX"

But Congress has another power, unrestrained, unlimited, both in war and in peace, and this power may be exercised to insure justice in the distribution of the burdens of war. It is the power to levy and collect taxes. It is a fact that many do not realize that 40 per cent of the revenue raised and expended by our Government during the period of the recent war was raised by taxation. Many conservative and experienced and well-informed men with intimate contact with the administration during the war have expressed the opinion that if there had been no inflation of prices, if a peace-time average of prices had been maintained by force of law during the war, the money cost of the war would have been reduced by at least one-half. The average price level of all commodities during the World War was nearly two and a half times the average peace-time price. Bringing these two facts together, we find that if prices had not become so much inflated we could have financed the war merely upon the taxes that were collected and without the issue of a single bond; and if we had done so, we would have been to-day debt free and would not have a mortgage in the form of bonds upon the earning power of the people of this country aggregating more than \$20,000,000,000 that will require the labors of two or three generations to discharge.

NO DRAFTING OF LABORERS

There has been much confusion of thought and much loose and ill-considered utterance in connection with the subject of what is commonly described as "universal draft," and "universal mobilization," and "drafting of wealth to make war," and other phrases of like import. Some, with sweeping and irresponsible generalization, have declared that the whole Nation, with all her resources, must be instantly militarized, that martial law must prevail everywhere, and that men and women, old and young, even children, with all that they have, must be considered as in one mighty camp, subject to military discipline, to do and to give whatever those in authority may direct. Some have leveled their anathemas at men who labor with their hands and have heretofore received wages of 8 and 10 and 15 dollars a day for work as civilians, while soldiers were suffering and dying in the trenches at a dollar a day. Others have directed their maledictions at the wholesalers and forestallers and engrossers and speculators and manipulators who cornered the market for essential commodities and demanded and received fabulous prices and profits, and became millionaires in a day, and thus capitalized and commercialized the calamity of war and grew rich out of the necessities and sacrifices and sufferings of the Nation. The passions of that postwar period of prejudices and denunciations have not yet all died out. But some of us believe that we can now judge fairly and see clearly and speak impartially.

I feel compelled to say that progress in the direction of legislation looking to a fairer and more just and more equal distribution of the hardships and inconveniences and sufferings of war has been delayed by reason of the excessive claims and demands of some of the advocates of such legislation. Speaking for myself only, I believe that many have gone too far in their generalizations and have demanded that too much be done. Personally, I believe it would be unwise and imprudent and impracticable to undertake the conscription and militarization of manual laborers, whether for use upon shipbuilding or housebuilding or road building or factory working or farm working or elsewhere. It is my belief that only the fighting forces and those agencies directly contributory thereto, such as medical, quartermaster, etc., should be taken from the civilian population by selective service draft. To do otherwise would greatly dislocate, and might paralyze industry, mining, and agriculture. The military authorities would not and could not know how to distribute the workers among the factories and farms. The psychological factor must not be ignored. Human beings are not machines. They have feelings and thoughts. There are limits beyond which they will not endure. The overwhelming majority of the people must first be convinced that a war is just and worthy of any sacrifice, even death, and then, when it is declared, public opinion, as well as force of law, will compel the acquiescence of any small dissenting minority into conformity with the plans and efforts of the nation to raise and support and maintain the armies and navies.

NO MILITARIZATION OF INDUSTRIES

In like manner, enthusiasts and idealists have maintained that all the material property and all the financial resources of the Nation must be instantly poured into a mighty national war hopper, there to be employed as military experts may determine necessary in the conduct of war. Such a proposition is preposterous to practical minds. The men who in peace time have built and operated industries can operate them more efficiently in war than Army officers can. They know how to manage labor in order to get the most satisfactory results. If all property were appropriated and commandeered and dumped into the war machine, of course, there would be no incomes to be taxed, and consequently no source of revenue wherewith to pay that just compensation required by the fifth amendment to the Constitution.

A SANE PROGRAM OF JUSTICE

Then, what is a fair and reasonable program for the conduct of war so as to bring about a more just and equal distribution of the burdens of war? We believe that the war is the whole Nation's business. It is not the affair merely of those in the Army or the Navy. The soldiers and sailors have no more at stake than the civilians back home. The war is everybody's business. If the cost of the war is not sufficient to justify a contribution to the limit of his qualifications and capacities and resources by every citizen, then we ought not to be in the war, and Congress should carefully consider this aspect of the problem before declaring war. But this equalization can not be theoretically and mathematically exact and ideal.

It is a practical world we live in, and war is an abnormal condition and fortunately very occasional and temporary, and should be so conducted as to result in the minimum of dislocation and demoralization of the existing order of things. Therefore, in addition to the exercise of the power of drafting soldiers and sailors by selective service; and in addition to the power to commandeer and take necessary physical property without delay, subject to subsequent compensation, there are two outstanding measures that should be taken at the outbreak of another war. We should have our minds made up in advance on these matters and, if possible, the outlines of general legislation should be

placed upon the statute books now and we should not wait until the heat and excitement and the tumult of war in order to legislate. The first of these is the stabilization of all prices. This can and must be done by the fiat of law. Only the emergency of war could justify such an artificial and unnatural mandate.

STOP PROFITEERING BY STABILIZING PRICES

The stabilization of prices as contemplated by those familiar with the details essential to carry out this program of seeking to equalize the burdens and inconveniences of war, is not price fixing as ordinarily understood. It does not mean picking out different commodities and prescribing by statute the prices for which the same may be sold. But it does mean taking the prices of all commodities as they are found and ascertained to prevail in a free market at a fixed price, say, 90 days before the declaration of war, and prescribing that the prices so prevailing shall be observed in transactions between citizens and in transactions of citizens with the Government.

This is fair and just. The price of any commodity is a relative matter, economically considered. The real price is the quantity of commodity or service that must be given for a commodity or the quantity of service or commodity that may be received for a given commodity. The excuse given during the war for the pyramiding of prices was that the raw material and labor, rent and interest, and other factors going into other commodities had risen and were continuing to rise, and, in order to meet these rises, the prices of manufactured articles must be raised. In turn, labor contended that what it had to buy and the rents it had to pay had gone up, and it must have more wages. The merchants claimed that not only had commodities advanced but store rents advanced, clerk hire advanced, and taxes advanced, so that they must increase prices. These retail prices again, in their turn, affected the wages of the laborers and the prices of raw materials. So this vicious circle swung rapidly around, rising constantly higher and higher, to the terrific peak of more than 250 per cent of normal prices. The stabilization of prices will eliminate such excuses for price boosting, and the result will be equality and fairness to all parties concerned.

"PAY-AS-YOU-FIGHT" PROGRAM

The next step that practical men, bent upon seeking, so far as possible, the ideal of justice among all citizens in the duty to make and carry on war, is to understand in advance that taxes, heavy taxes, burdensome taxes, will be imposed to meet the current expenses of the war. The slogan should be, as far as possible, to "pay as you fight," so that as the soldier sacrifices time and blood and life in carrying on at the front, the taxpayer back home, conducting his business, living with his family, shall contribute from his substance the material things necessary to satisfy the current demands of the fighting forces.

The issue of bonds to finance the war should be reduced to a minimum, if not entirely eliminated. Undoubtedly, the tremendous inflation of credit and currency and prices during the World War was due in part to the stupendous issues of bonds. These bonds were largely carried by being floated at the banks and the credit and currency of the people were almost doubled. But some may protest that to stabilize prices would eliminate war profiteering, and to eliminate bond issues would prevent inflation, so that there would be no unusual stimulus to business and, in fact, there might be an apparent stagnation, thus resulting in a diminution of incomes which, in turn, would result in a diminution of income taxes and, if the war should be financed as fought, taxes might be so heavy as to amount in fact to a capital levy. That chain of argument is considered as reducing the proposition to an ad absurdum. But I refuse to be frightened by the thought of even a capital levy in order to carry on war. At most, it can but mean that a very small percentage of the existing capital reserves of the people shall be taken for the extraordinary and urgent needs of the Government in time of war.

HUMAN LIFE HIGHER THAN MATERIAL PROPERTY

Does not the man at the front, and all those under arms cooperating with him to make his fight effective, submit to a capital levy to a very real and even terrific degree? The best part of the assets and capital of the young man is his body, his health, his time—yea, his life. In order to defend the Nation, in order to make it secure for every man and woman within its bounds, in order that all may equally enjoy the blessings of this Nation, the strongest and best of our young men are called out to give, in unstinted measure, the riches and vested rights of health and strength and life.

Is it fair, is it just, is it in conformity with that fundamental American conception of equality of rights and equality of obligations, that some of our citizens should be called upon to give their all to defend the Nation's rights and life, and others, at the same time, be not called upon to make a sacrifice of a small proportion of accumulated capital? I recall these words from the inaugural address of President Warren G. Harding, March 4, 1921: "There is something inherently wrong, something out of accord with the ideals of representative democracy, when one portion of our citizenship turns its activities to private gain amid defensive war, while another portion is fighting, sacrificing, or dying for the national defense."

JUSTICE A FACTOR IN NATIONAL DEFENSE

To make effective such a program tending toward a just and fair distribution of the burdens of war is the greatest step in the scheme of national defense. It will mean that all the resources of the Nation will be directed instantly upon the outbreak of war to the making and gathering of such a combination of human, material, and financial resources as must be well-nigh irresistible. Further, it will mean that, among the men who are fighting and directing, among those sacrificing and suffering, there will not rankle that sense of injustice and of unfairness at the thought that others are not only escaping from the obligations of such a service, but are actually commercializing the Nation's needs, and profiteering upon the Nation's peril and growing daily richer in the abundance of gold, out of the rich, warm blood of the Nation's sons. There is an inherent and indefinable consciousness in every human breast of what is just and fair and right. Education may clarify its definition, but can neither create nor destroy its existence.

"PAY AS YOU FIGHT" AND NO PROFITEERING INSURES PRUDENCE

While this program of invoking all the resources of the Nation to cooperate in one combined effort of war when war is inevitable insures military efficiency, yet it is at the same time one of the surest guarantees that our Nation will never embark upon an aggressive and unjust war. We are a peace-loving people. We know that we may best accomplish our mission to build up a great Christian civilization for the blessing of our own people and to serve as a shining example to all others while peace prevails. But we are vividly conscious of our obligation to the ideals of the Republic. We feel that these ideals can only be achieved under conditions of undisputed national security. Much as we love peace, and will insist to the limits of patience upon its preservation, yet, as a practical people knowing the plain lessons of history and the teachings of bitter experience, we refuse to live in a fool's paradise and to bury our heads in the sands of a false sense of security. But the program here outlined, of no war profits and of heavy war taxes, will prove an efficacious deterrent to the rash and ill-considered agitation of chauvinists and militarists. It will compel certain great interests that control the mighty metropolitan dailies to think carefully and to speak mildly in crucial times. If the capital that controls newspapers knows that it can not profit and may suffer some of the burdens of war, it will be cautious and prudent in editorial utterance. The man on the street who knows that he is unfit by age or physical infirmity to bear a soldier's part in war, will restrain his tongue and no longer agitate for war if he realizes that he must contribute of his substance, even to the point of sacrifice, in order to carry on the war.

RIGHTEOUS WAR OF DEFENSE

With all selfish motives of pride and profit by war eliminated, with the hysteria and delirium of war excitement checked and restrained by the thought of heavy financial burdens, we may feel sure that one motive, and one motive only, may ever impel the good people of this great Republic to take up arms against another nation. That motive will be the defense of either the physical integrity or of the international rights of the Nation. With a war caused by and based upon such a condition, with a situation confronting all the people, that means either supine submission to a foreign will or fighting in defense of the Nation's rights and life, there can be no question but that any war declared by Congress will be a just war. Being just, being righteous, being backed by the heart and conscience of the overwhelming majority of the people, the law of selective service for human beings and a law to prevent profiteering by the stabilization of prices and to require the equitable contribution of the sinews of war by those having capital will not be a heartless mandate to compel the sullen obedience of the people to a harsh war program, but will be merely the legal measure of what all the people will cheerfully do to defend the Nation's cause.

A NEW AMERICAN SLOGAN

Therefore, are we not justified in advancing one step further in the crystallization of national ideals into well-remembered phrases that express the heart and soul of Americanism? For more than 125 years American citizens of all sections and of all parties have acknowledged that the epitome of American institutions finds a voice in the phrase: "Equal rights to all and special privileges to none." To that incomparable expression of the peace-time policies of our Nation, let us now, while the lessons of the late war are still fresh in every mind and heart, write upon the statute books of this Republic laws looking toward the equalization of the obligations and hardships of war, and phrase this other epitome of the American war-time policy thus: "Equal burdens and equal sacrifices for all and special privileges and special profits to none."

EXTENSION OF REMARKS

Mr. RUTHERFORD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an editorial from the Macon Telegraph on the subject of farm relief.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. UNDERHILL. I am fundamentally opposed to bringing editorials into the RECORD.

Mr. RUTHERFORD. I hope the gentleman will not object. It is but a short editorial.

Mr. UNDERHILL. I object.

The SPEAKER. Objection is heard.

RELIEF OF OFFICERS AND FORMER OFFICERS OF THE ARMY

Mr. STRONG of Kansas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3436) for the relief of certain officers, and for other purposes, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from Kansas asks unanimous consent to take from the Speaker's table House bill 3436, disagree to the Senate amendments, and ask for a conference. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 3436) for the relief of certain officers and former officers of the Army of the United States, and for other purposes.

The SPEAKER. Is there objection?

Mr. GARNER of Texas. I shall object until the gentleman makes his request in accordance with what I said this morning and yesterday morning. The gentleman ought to read the RECORD. He will learn that in course of time.

Mr. STRONG of Kansas. I have consulted the minority members of the committee, and this request is in accordance with their desire.

Mr. CRAMTON. Mr. Speaker, reserving the right to object, this is a department bill, as I understand, entitled:

For the relief of certain officers and former officers of the Army of the United States, and for other purposes.

As passed by the House it contained only a collection of non-controversial items to enable the War Department to straighten up its accounts with certain officers. The Senate has placed upon the bill 11 amendments that impose upon the bill an increase of some \$700,000 and sends certain important claims to the Court of Claims. None of these 11 amendments are germane to the bill as it passed the House.

No Member of the House depending upon the title of the bill would have any notice whatever as to the character of the legislation placed in the bill by the other body. It is not good legislative practice, and I shall be obliged to object to the bill going to conference unless we can be assured by the gentleman from Kansas that the House conferees will not accept those amendments placed in the bill by the Senate that are not germane to the House bill.

Mr. STRONG of Kansas. I can assure the gentleman that that course will be followed. I would like to say further that the War Claims Committee, after considering Civil War claims for 50 years, adopted a rule to the effect that it would not report favorably any claims which directly or indirectly grew out of any war prior to the Spanish-American War. The claims put in this bill by the Senate committee are Civil War claims which our committee, without a suspension of rules, is not in a position to favorably approve, and I certainly am not in a position to consent to those claims remaining in the bill.

Mr. HILL of Maryland. Mr. Speaker, reserving the right to object, I hope the gentleman does not include in those claims that very meritorious and just claim of the State of Massachusetts and that meritorious and just claim of Baltimore City for interest.

Mr. STRONG of Kansas. I certainly do include those claims. Our committee held hearings, at which the gentleman from Maryland was present, and took no favorable action on them.

Mr. HILL of Maryland. No. The committee said it could not take any further action because of its rule, but I hope the gentleman will give those claims most serious consideration.

Mr. STRONG of Kansas. The committee could have suspended its rule, but did not do so. The claims were not considered to be either just or legal claims against the Government.

Mr. HILL of Maryland. Then I shall have to object.

Mr. STRONG of Kansas. The gentleman can object, but I certainly can not consider agreeing to recommend the payment of those claims.

Mr. HILL of Maryland. Then I shall not object.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The SPEAKER appointed the following conferees: Messrs. STRONG of Kansas, WINTER, and LOWREY.

CONFERENCE REPORT—URGENT DEFICIENCY APPROPRIATION BILL

Mr. WOOD. Mr. Speaker, I desire to call up the conference report on the bill (H. R. 16462) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1927, and prior fiscal years, and to provide urgent supplemental appropriations for the fiscal year ending June 30, 1927, and for other purposes.

The SPEAKER. The gentleman from Indiana calls up the conference report on House bill 16462, which the Clerk will report.

The Clerk read the conference report.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate numbered 8, 9, and 10 to the bill (H. R. 16462) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1927, and prior fiscal years, and to provide urgent supplemental appropriations for the fiscal year ending June 30, 1927, and for other purposes, having met, after full and free conference, have been unable to agree.

WILL R. WOOD,
LOUIS C. CRAMTON,
JOSEPH W. BYRNS,
Managers on the part of the House.

F. E. WARREN,
CHARLES CURTIS,
LEE S. OVERMAN,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate numbered 8, 9, and 10 to the bill (H. R. 16462) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1927, and prior fiscal years, and to provide urgent supplemental appropriations for the fiscal year ending June 30, 1927, and for other purposes, report that they have been unable to agree with the managers on the part of the Senate on the following amendments:

On Nos. 8 and 9, relating to the limitation inserted by the Senate on the appropriation for refunding taxes illegally collected.

On No. 10, relating to refund of taxes imposed by the revenue acts of 1918, 1921, and 1924 upon certain automobile parts and accessories.

WILL R. WOOD,
LOUIS C. CRAMTON,
JOSEPH W. BYRNS,
Managers on the part of the House.

Mr. WOOD. Mr. Speaker, I ask that the items in disagreement be read, and I also ask unanimous consent that items 8 and 9, which refer to the same thing, be considered together.

The SPEAKER. The Clerk will report the two amendments in disagreement, and, without objection, they will be considered together.

There was no objection.

The Clerk read as follows:

Amendment 8, page 10, after the figures "1928" in line 10, insert: "Provided, That no part of this appropriation shall be used to pay any claim in excess of \$50,000 until such claim shall be approved by the Comptroller General of the United States in accordance with existing law: *Provided.*"

Amendment 9: Insert the word "further."

Mr. WOOD. Mr. Speaker, I move that the House further insist upon its disagreement to these two amendments.

The SPEAKER. The gentleman from Indiana moves that the House further insist upon its disagreement to these two amendments.

The question was taken; and on a division (demanded by Mr. Wood) there were—ayes 128, noes 8.

So the motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 10: Page 10, line 18, after the word "each," strike out the remainder of the page and all of page 11 down to and including the word "commissioner" in line 19.

Mr. WOOD. Mr. Speaker, I move that the House further insist upon its disagreement to this amendment, and I desire to be heard for a moment.

Mr. Speaker and gentlemen of the House, there has already been discussion upon this item. This is the item put in this bill by the House with reference to a refund upon certain erroneous taxes, so declared by the courts, levied upon certain auxiliary parts to automobiles. The amount of tax involved, in round figures, is some \$29,000,000. The Senate amendment strikes out the House language. The provision stricken out is so framed that the men who paid these taxes will get them and the language is so framed that it makes it incumbent upon the manufacturer, if he claims the refund, to see to it that the ultimate consumers who paid these taxes obtain these refunds, and in order that we may be assured that the men who paid these taxes get the refund the provision requires the manufacturer to give a bond whereby he undertakes to pay to the ultimate consumers the taxes that were paid by the ultimate consumers. If the manufacturer does not do that, he is required under the bond to pay that money back into the Treasury of the United States within a period of six months. Objection was raised in the other body and this provision was stricken out, and that enables the manufacturer to get the refund. He is the last man who ought to have it, because he did not pay the tax. The ultimate consumer is the man who did pay it, and in order that he may receive it we have put this language in the bill, making it obligatory, under a bond, that he does receive it.

Suppose this provision is not carried in the bill. There is \$29,000,000 in taxes of this character subject to be claimed by the manufacturers, and I dare say not one cent on the dollar will ever get into the hands of the men who actually paid it. In most cases it would be impossible for the manufacturer to find him; he would make no effort whatever to find him; and this would be just that much velvet in the pockets of the manufacturers. It would be unjust not only to the ultimate consumer but would be an evasion of the law resulting in these gentlemen getting into their pockets millions of dollars to which they are not entitled.

The Senate has persisted in its disagreement. This matter has not been taken back to the Senate, and it is my purpose to bring this particular amendment up here now in order that we may have a record vote upon it to express the views of the House. If the Members of the House, in justice to the men who paid this tax, want to see them get this money through a refund to them, we should further insist upon our disagreement and endeavor to retain this provision in the bill.

Mr. LINTHICUM. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. LINTHICUM. I am entirely in sympathy with the gentleman on this matter, but I wanted to ask about the other amendment for the refund of taxes. What was done about that?

Mr. WOOD. That is still in disagreement, and we have already been instructed by a vote of this House, given just a moment ago, to further insist on our disagreement.

Mr. BYRNS. Will the gentleman yield?

Mr. WOOD. I yield to the gentleman from Tennessee.

Mr. BYRNS. Is it not a fact that the Deputy Commissioner of Internal Revenue stated to the committee that there were a number of former employees of the Treasury who had gone out and gotten up contracts for the collection of this money?

Mr. WOOD. That is correct.

Mr. ARENTZ. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. ARENTZ. Is it not a fact that the House has gone a little too far in this matter in one respect? For instance, take the matter of the linoleum on the running board of automobiles. I understand the committee has placed that item as one of the accessories of automobiles, the tax on which is to be returned to the consumer. How are we going to arrive at that?

Mr. WOOD. I will say to the gentleman that only those taxes will be returned to the consumer which the manufacturer sees fit to return if this provision is not relevant.

Mr. GARNER of Texas. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. GARNER of Texas. If you can not return it to the consumer, or if you can not arrive at a method of returning it to the consumer, ought it to be returned to the manufacturer?

Mr. ARENTZ. It should not be returned to the manufacturer. Mr. GARNER of Texas. Under that situation it will not be returned at all.

Mr. ARENTZ. That is what should be done.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. WOOD. I yield to the gentleman.

Mr. CHINDBLOM. Perhaps it should be said that this is only a limitation upon the appropriation contained in this bill.

Mr. WOOD. That is correct.

Mr. CHINDBLOM. And the entire subject will be open for permanent legislation through consideration hereafter by the Ways and Means Committee.

Mr. WOOD. That is true. If it is established that any injustice has been done to anybody, and we have the assurance of the Ways and Means Committee that if any of these gentlemen can show any injustice has been done to them, the committee will provide a way to correct such injustice.

Mr. Speaker, I demand the yeas and nays upon this question. The yeas and nays were ordered.

The question was taken; and there were—yeas 348, nays 1, answered "present" 3, not voting 81, as follows:

[Roll No. 27]

YEAS—348

Ackerman	Dominick	Kleiner
Adkins	Doughton	Kless
Aldrich	Douglass	Kincheloe
Allen	Dowell	Kindred
Allgood	Doyle	Kirk
Almon	Drane	Knutson
Andresen	Drewry	Kopp
Andrew	Driver	Kunz
Appleby	Dyer	Kvale
Arentz	Eaton	LaGuardia
Arnold	Edwards	Lampert
Aswell	Ellis	Lanham
Auf der Heide	Eslick	Lankford
Ayres	Esterly	Larsen
Bacharach	Evans	Lazaro
Bachmann	Faust	Lea, Calif.
Bacon	Fenn	Leatherwood
Bailey	Fish	Leavitt
Bankhead	Fisher	Letts
Barbour	Fitzgerald, W. T.	Linthicum
Barkley	Fletcher	Little
Beck	Fort	Lowrey
Beers	Frear	Lozier
Begg	Free	Luce
Bell	Freeman	Lyon
Berger	Fulmer	McDuffie
Black, N. Y.	Funk	McFadden
Black, Tex.	Furlow	McKeown
Bland	Gallivan	McLaughlin, Nebr.
Blanton	Gambrill	McMillan
Bloom	Garber	McReynolds
Boies	Gardner, Ind.	McSwain
Bowles	Garner, Tex.	McSweeney
Bowling	Garrett, Tenn.	MacGregor
Bowman	Garrett, Tex.	Madden
Box	Gasque	Magee, N. Y.
Boylan	Gibson	Magee, Pa.
Brand, Ga.	Gifford	Magrady
Brand, Ohio	Glynn	Major
Briggs	Goodwin	Mansfield
Brigham	Green, Fla.	Mapes
Browne	Green, Iowa	Martin, La.
Browning	Greenwood	Martin, Mass.
Brumm	Griest	Menges
Buchanan	Griffin	Merritt
Bulwinkle	Hadley	Michener
Burdick	Hale	Miller
Burness	Hall, Ind.	Milligan
Burton	Hall, N. Dak.	Montgomery
Busby	Hammer	Mooney
Byrns	Hardy	Moore, Ky.
Campbell	Hare	Moore, Ohio
Canfield	Harrison	Moore, Va.
Cannon	Hastings	Morehead
Carew	Haugen	Morgan
Carpenter	Hawley	Morrow
Cars	Hickey	Murphy
Carter, Calif.	Hill, Ala.	Nelson, Me.
Carter, Okla.	Hill, Md.	Nelson, Mo.
Celler	Hill, Wash.	Newton, Minn.
Chalmers	Hoch	Norton
Chapman	Hogg	O'Connell, R. I.
Chindblom	Holaday	O'Connor, La.
Clague	Hooper	Oldfield
Cochran	Houston	Parker
Cole	Howard	Parks
Collier	Huddleston	Patterson
Collins	Hull, Tenn.	Peavey
Colton	Hull, Morton D.	Peery
Connally, Tex.	Hull, William E.	Perkins
Connery	Irwin	Porter
Connolly, Pa.	Jacobstein	Pou
Cooper, Ohio	Jeffers	Pratt
Cooper, Wis.	Jenkins	Purnell
Corning	Johnson, Ill.	Quin
Cox	Johnson, Ind.	Ragon
Crampton	Johnson, Ky.	Ralney
Crisp	Johnson, S. Dak.	Ramseyer
Crumpacker	Johnson, Tex.	Rankin
Cullen	Jones	Ransley
Dallinger	Kahn	Rathbone
Darrow	Kearns	Rayburn
Davis	Keller	Reece
Deal	Kelly	Reid, Ill.
Denison	Kemp	Robinson, Iowa
Dickinson, Iowa	Kerr	Robison, Ky.
Dickinson, Mo.	Ketcham	Rogers

NAYS—1

McLeod

ANSWERED "PRESENT"—3

Hersey Oliver, Ala.

NOT VOTING—81

Abernethy	French	Manlove	Sosnowski
Anthony	Frothingham	Mead	Stedman
Beedy	Gilbert	Michaelson	Stephens
Bixler	Golder	Mills	Stobbs
Britten	Goldsborough	Montague	Strong, Pa.
Burton	Gorman	Morin	Strother
Cleary	Graham	Nelson, Wis.	Sullivan
Coyle	Hayden	Newton, Mo.	Swoope
Crosser	Hudson	O'Connell, N. Y.	Taber
Crowther	Hudspeth	O'Connor, N. Y.	Tillman
Curry	James	Oliver, N. Y.	Underhill
Davenport	Johnson, Wash.	Perlman	Vare
Davey	Kendall	Phillips	Vinson, Ga.
Dempsey	King	Prall	Walters
Dickstein	Kurtz	Quayle	Wingo
Elliott	Lee, Ga.	Reed, Ark.	Woodyard
Englebright	Lehlbach	Reed, N. Y.	Wyant
Fairchild	Lindsay	Sanders, N. Y.	Yates
Fitzgerald, Roy G.	Lineberger	Scott	
Foss	McClintic	Sears, Nebr.	
Fredericks	McLaughlin, Mich.	Seger	

So Mr. Wood's motion to further insist was agreed to.

The following pairs were announced:

Mr. Butler with Mr. Hudspeth.
 Mr. Newton of Missouri with Mr. Crosser.
 Mr. Seger with Mr. Montague.
 Mr. Strong of Pennsylvania with Mr. Quayle.
 Mr. Graham with Mr. Wingo.
 Mr. Kendall with Mr. O'Connell of New York.
 Mr. Kurtz with Mr. McClintic.
 Mr. Michaelson with Mr. Gilbert.
 Mr. Anthony with Mr. Davey.
 Mr. McLaughlin of Michigan with Mr. Abernethy.
 Mr. Crowther with Mr. Cleary.
 Mr. Manlove with Mr. Goldsborough.
 Mr. Curry with Mr. Lindsay.
 Mr. French with Mr. Mead.
 Mr. Hudson with Mr. O'Connor of New York.
 Mr. King with Mr. Stedman.
 Mr. Yates with Mr. Tillman.
 Mr. Underhill with Mr. Vinson of Georgia.
 Mr. Stephens with Mr. Sullivan.
 Mr. Reed of New York with Mr. Reed of Arkansas.
 Mr. Morin with Mr. Lee of Georgia.
 Mr. Wyant with Mr. Prall.
 Mr. Lehlbach with Mr. Hayden.
 Mr. Johnson of Washington with Mr. Oliver of New York.
 Mr. Dempsey with Mr. Dickstein.
 Mr. Elliott with Mr. Nelson of Wisconsin.

Mr. OLIVER of Alabama. Mr. Speaker, I wish to vote "aye."

The SPEAKER. Was the gentleman in the Hall and listening when his name should have been called?

Mr. OLIVER of Alabama. I was not.

The SPEAKER. The gentleman does not qualify.

Mr. DAVIS. Mr. Speaker, if I had been present I would have voted "aye."

Mr. CHRISTOPHERSON. I did not get in until after my name was called.

The SPEAKER. The gentleman does not qualify.

The result of the vote was announced as above recorded.

ADDRESS OF HON. NICHOLAS LONGWORTH, SPEAKER OF THE HOUSE OF REPRESENTATIVES

Mr. TILSON. Mr. Speaker, at Memorial Hall last night the Speaker of the House delivered an address on a topic of great importance, and I think the membership of the House and the country at large will be interested in reading what he said. I therefore ask unanimous consent to extend my remarks in the RECORD by printing the address made at Memorial Hall last night by the Speaker of the House.

The SPEAKER. Is there objection?

There was no objection. [Applause.]

Mr. TILSON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech of the Speaker [Mr. LONGWORTH] at the Daughters of the American Revolution Memorial Hall last evening:

THE NATIONAL DEFENSE

Mr. LONGWORTH. The framers of the Constitution of the United States wrote this as its preamble:

"We, the people of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America."

Of these six definite purposes for which the Constitution was ordained, the latter three pertain definitely and directly to the national defense. Later in the Constitution are provided 18 different powers which are delegated to the Congress. Of these, 10 are closely allied with the national defense. It is, therefore, especially and peculiarly the duty of Congress

to see to it that adequate equipment and preparation for the common defense shall be at all times maintained, "in order to promote the general welfare and secure the blessings of liberty to ourselves and our posterity."

For myself I have during my congressional life held it to be my paramount duty to abide by these principles as promulgated by the fathers of the Republic. I have at all times declined to support legislation which I thought tended to bring the national defensive equipment below the point of thorough adequacy. If I have erred or shall err in this regard, it has been and always will be in the direction of securing the best possible protection for the interests of my country and my family.

It is the devout wish of us all, I am sure, that we of America may never be forced to the necessity of defending our institutions by armed force, but we would be blind indeed as a Nation if we did not recognize the fact that the world has been by no means purged of malice, hatred, greed for economic advantage, and lust for territorial acquisition; and so, if we guard ourselves and our possessions scrupulously from what might result from the exercise of these passions no right-minded nation can find cause either to object or to fear.

The defensive branch of the Government is our Army and Navy. It costs less than one-fifth of our total national expenditures to maintain them, an amount relatively small as compared with the military establishments of other nations. Are we maintaining our Army and Navy to-day at a standard of efficiency adequate to the thorough protection of our interests? As to the Army, I would say "Yes." I believe that the Army appropriation bill, now in conference, as it passed both the House and Senate, makes adequate provision for that branch of our military equipment. It must not be overlooked, however, that in making adequate provision we exceeded in quite substantial degree the estimates and recommendations of the Bureau of the Budget.

With regard to the Navy, however, I would say emphatically "No," certainly as to the bill in the form in which it passed the House, and in that bill we adhered to the estimates and recommendations of the Bureau of the Budget.

I do not mean in any way to criticize the efficiency of this bureau or to decry its value. It performs a most useful function in helping Congress to keep down expenditures to the lowest possible point. But, after all, it is the Congress and not the Bureau of the Budget that is responsible to the people of the United States. In appropriating money from the National Treasury I think we should follow the Budget estimates as closely as possible, but to follow them blindly at all times, particularly in questions relating to the defense of the Nation, for which that bureau is in no way responsible, would be to abdicate our responsibilities and become mere rubber stamps.

I think I need not dwell before an audience like this upon the importance to the country, both in time of war and in time of peace, of maintaining a thoroughly adequate Navy. It is vital at all times for the protection of our foreign commerce, not only for our export trade but for our industries at home, which require an increasing number of necessary goods which we can not produce within our own boundaries, such as rubber, coffee, jute, and potash. Even in products as plentiful here as iron ore and oil we are dependent to an increasing extent on imports.

For the protection of our foreign policies a thoroughly adequate Navy is vital at all times, for these policies are no stronger than our fleet. You will all recall an incident in the administration of President Roosevelt when the preservation of the Monroe doctrine was at stake. In 1902 Germany had declined to arbitrate certain claims against Venezuela, and the German fleet was about to seize territory there. While it was announced that the seizure was to be only temporary, it did not require a stretch of the imagination to prophesy that the territory would be held permanently as a naval base near the Panama Canal. At that juncture President Roosevelt sent for the German ambassador and advised him in no uncertain terms that unless Germany agreed to arbitrate he would send Admiral Dewey to Venezuela with the American fleet under orders to prevent the seizure of territory. Facing this situation, the German Emperor agreed to arbitrate.

I leave to your imagination what would have happened to the Monroe doctrine if the President had been unable then to call for the use of adequate sea power.

I am entirely confident that the great majority of the American people demand a thoroughly adequate Navy. Certainly they indorsed the most ambitious building program that we ever undertook shortly after the war, which if completed within a few years would have made us by far the most formidable sea power among the nations. That program undoubtedly would have been completed had it not been for the conference held in Washington in 1921 for the reduction of armament.

We went into that conference, potentially at least, the greatest sea power of them all, and we emerged having made by far the greatest

sacrifices. It was hailed as a smashing victory for peace, but what do you think the people would have said at that time if, having reduced our Navy to a level with Great Britain and in a ratio of 5 to 3 with Japan, it had been announced that we intended to actually go below the naval strength of those powers. I believe that the American people would have voiced their indignation in no uncertain terms. Certainly no such policy was contemplated at that time by those in authority. Secretary Hughes, who probably more than anyone else was responsible for the successful outcome of the conference, said not long afterwards at a celebration on Navy Day, on October 26, 1922:

"The celebration of Navy day has my hearty approval. This Government has taken the lead in securing the reduction of naval armament, but the Navy we retain under the agreement should be maintained with efficient personnel and pride in the service. It is essential that we should maintain the relative naval strength of the United States. That, in my judgment, is the way to peace and security. It will be upon that basis that we would enter in future conferences or make agreements for limitation, and it would be folly to undermine our position."

That statement has my thorough and absolute approval. I stand precisely where Secretary Hughes then stood and no doubt stands to-day. I said in the House recently, and I say to-night, that while we owe an obligation to the nations participating in that conference not to exceed the 5-5-3 ratio, we owe an equally great obligation to the American people not to go below it.

What is the situation to-day with regard to the Navy? We entered the Washington conference in a position of distinct superiority over all. We emerged from the conference in a position of exact equality with the greatest of the naval powers.

To-day I grieve to say we are in a position of distinct inferiority to Great Britain and not so very far away from Japan. To me this lapse from our former high estate is nothing short of lamentable, if not humiliating, and it will become increasingly aggravated if the bill as it passed the House should become law. The main point at issue between the two Houses of Congress is the appropriation for the commencement of the building of three cruisers now authorized by law, but the authorization for which will lapse on the 1st of next July if no appropriation is made. By a majority of two the House, following the recommendation of the Bureau of the Budget, failed to make any appropriation. The Senate made an appropriation—small, but sufficient to begin the work and keep the authority alive. It is not often that I am willing to admit it, but in this case the Senate was right and the House was wrong, and I will continue to think so until the House, as I have every hope and confidence it will do, reverses its position. The leading argument of those in the House who opposed any appropriation was that another limitation of armament conference might be held in the comparatively near future and that under the circumstances we should proceed with no new actual building program. To my mind that argument refutes itself. I have not the slightest doubt that it was our commanding strength and generous willingness to make great sacrifices that brought about the successful result of the Washington conference.

To-day we are in no such position of superiority, but rather in a position of inferiority. We must then take up the question of a new conference on the limitation of armament, not as a Nation willing to make great sacrifices in the cause of peace but as a Nation begging others to make sacrifices themselves. In days like this, when it is regrettable though undoubtedly true, that we have incurred the envy, if not the hatred and enmity, of most of the great nations, we can not expect much of that sort of consideration in their councils as might be due to a liking for us or gratitude for service or sacrifices we have offered in the past.

Our influence among the nations of the world, not only for our own interests but for the interest of enduring peace, must come from strength, not from weakness; from industrial and financial strength backed up by a competent military power, for the first two without the latter would be of no avail.

That we may be secure at home, and that our influence may be felt abroad, we must have an adequate Navy, and by adequate I mean a Navy which shall measure up the ratio agreed upon at the Washington conference. I hold that the American people believed, and had the right to believe, that we intended to live up to that agreement. Surely no foreign nation can complain if we abide by the terms of our contract. We have been more than just to the nations of the world. Let us be just to ourselves.

CONVEYANCE OF LAND IN ALABAMA FOR PARK AND GAME PRESERVE PURPOSES

Mr. ALLGOOD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 11421, and concur in the Senate amendment.

The SPEAKER. The Clerk will report the title.

The Clerk read the title, as follows:

An act (H. R. 11421) to provide for conveyance of certain lands in the State of Alabama for State park and game preserve purposes.

The Senate amendment was read.

The Senate amendment was agreed to.

THE M'NARY-HAUGEN FARM RELIEF BILL

Mr. HAUGEN. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 15474, the farm relief bill.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. MAPES in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill of which the Clerk will read the title.

The Clerk read as follows:

A bill (H. R. 15474) to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities.

Mr. HAUGEN was recognized.

Mr. ASWELL. Mr. Chairman, may I inquire how much time the gentleman has yielded himself?

Mr. HAUGEN. I hope to get through in half an hour or three-quarters of an hour.

The CHAIRMAN. The gentleman from Iowa will be recognized for one hour.

Mr. HAUGEN. Mr. Chairman and Members, I appreciate that in the discussion of farm-relief legislation there are many differences of opinion. I appreciate that there are many currents and cross currents in respect to its accomplishment; although there are differences of opinion I appreciate that all Members, regardless of their political affiliation or their personal interests, are honest in their convictions, that they are earnest and sincere in the advocacy of the principles and policies which they advocate.

The continued economic depression is generally acknowledged. I believe we all agree that recent experience has demonstrated with absolute finality that the stability, growth, and greatness of our Nation depends on our basic industry—agriculture. Adverse economic conditions are generally acknowledged and the facts are known to all Members of the House, and therefore it does not seem necessary at this time to discuss the unfortunate conditions or the results of the continued economic depression, and the urgent need of legislation generally believed to be necessary to restore normal and better conditions, not only to agriculture but to labor and to every activity in order that we may have the fullest development of every worthy and legitimate enterprise.

It is generally believed that this depressed condition is confined to certain sections of this country, that it is local and not general, which is, of course, a misconception of the fact. My State has been given more publicity than any other, due to the fact that the Corn Belt conference was held at Des Moines. But on examination of the various reports, the official reports, the commercial and industrial reports, we find that the conditions are as acute in one State as in the other, in the North, in the South, in the East, and in the West.

Turn to the last report of the Attorney General in respect to the number of cases in bankruptcy. We find that out of the 47,000 cases in bankruptcy, 7,777 are classed as farmers. Bear in mind that does not include the hundreds of thousands of mortgage foreclosures or the number of cases in voluntary liquidation—an astonishing fact. Bankruptcy among the farmers increased from 1910 to 1924 1,000 per cent as in contrast with others. Turn to the report of the Comptroller of the Treasury. We find in respect to banks closing that the number increased from 49 in 1920 to 574 in 1926, an increase of 1,200 per cent in a few years. We recall the report of Secretary Wallace only a few years ago. He pointed out the fact that 1,200,000 people had left the farm and moved elsewhere to improve their condition. In New York alone 100,000 left in a single year. In 15 corn and wheat growing States 24½ per cent of owners of farms were in fact bankrupt. Is there any question as to the condition?

Numerous press, private, commercial, and industrial reports show clearly the unfortunate conditions. The National Industrial Conference Board, of New York, published last April a comprehensive report, made after an exhaustive study by the commercial, industrial, and railroad interests, that upon agriculture rests the whole structure, and the progress, prosperity,

and happiness of our people are dependent upon the success of the tillers of the soil.

As we all know, the farmer as a class is the conservative force of the Nation. He is the producer of new wealth. All wealth springs from mother earth. Every year the farmer, by his labor, affords the opportunity for the combined acts of the soil, the sun, and the rain, to bring into existence the essentials of home life—the food we eat and the clothing we wear.

The National Industrial Conference Board report makes it clear as to the important place the farmer holds in our economic and national life. It points out that the agricultural industry pays \$10,000,000,000 annually for goods and services produced by others. It purchases about \$8,000,000,000 worth of manufactured products annually, or about one-tenth of the value of the manufactured goods produced.

It supplies material upon which depends industries giving employment to over one-half of our industrial workers.

It pays, indirectly, at least two and one-half billions of the wages of the urban employees.

It supplies about one-eighth of the total tonnage of freight carried by our railroad systems.

Its products constitute nearly one-half of the value of our exports.

Farms and farm property represent nearly one-fifth of our tangible wealth.

In recent years it has contributed about one-sixth of the national income.

The current value of the capital invested in agriculture in 1919-1920 was \$65,000,000,000, as compared with forty-four billions invested in manufacturing industries, seven billions in mines and quarries, and twenty billions in railroads.

It is reported that Government expenditures in 1924 were \$10,252,000,000—equal to slightly more than 16 per cent of the total income—a per capita cost of Government of \$91.47, or \$400 per family—indeed a large drain on the taxpayers' pocketbook. The agricultural industry pays one-fifth of the \$10,252,000,000.

Do you wonder at the interest taken in farm-relief legislation? Not only by agriculture, but by bankers, industrial, commercial, and railroad interests?

We recall only a few years ago the farmers, more than 6,000,000 in number, constituting about 35 per cent of the purchasing power, because of depressed conditions as the result of the disparity in prices between agricultural commodities and the products of industry, found themselves without funds or credit to purchase the things necessary to operate the farms; and as consumption fell, production, of course, decreased correspondingly, resulting in separating more than 6,000,000 wage earners from the pay rolls.

With that condition prevailing, do you wonder that the representatives of labor organizations appeared before the Committee on Agriculture, pleading with the committee to report out legislation in principle identical with the one reported?

As stated by Edgar Wallace, representing the American Federation of Labor:

The farmers are our customers; when they have no money we can not work. We are the farmers' customers; when we can not buy, their foodstuffs pile up and lose in value. Hence, I think it is to the interest of all the workers. * * * I can not see any hope for improvement, except the farmers can buy. Those are the people on whom we depend. Now, Mr. Chairman, I do not see any difference in confiscating a farmer's product by force or forcing upon him confiscatory prices that will have the same effect. The danger is, and I know that in certain places it is now taking effect, that the farmer here may also let his fields lie fallow and not raise the foodstuffs that are needed by the entire country. * * * What does it profit us if we can get meat for 10 cents a pound if we haven't the 10 cents?

Yes, my friends, with the depressed conditions in agriculture, factories and mills crumble to pieces, railroads rust from idleness, and labor is out of employment.

Now, how about the inequality between the incomes of the farmers and of others?

The board reports the farmer's actual income in 1924 to be \$730. Against the \$730 he is charged with \$630 for food, fuel, and housing offered by the farm, which leaves him \$100 in cash. The report states that the farmer pays outside the farm for food, fuel, and clothing \$475, which absorbs not only the \$100 cash, but leaves him short \$375. He is credited with 2 per cent on his investment, but as all know, he pays on the average at least 6 per cent. If so, he is entitled to \$1,200, or \$800 more, if added to the \$375. He finds himself at the end of the year \$1,175 short.

The report points out the comparison of incomes of the various groups. As before stated, eliminating the interest credited and the items charged against his account, his income is reported to be \$730 as compared with:

All workers	\$1,256
All workers outside of the farm	1,415
Wage earners in the manufacturing industry	1,572
Transportation	2,141
Clerical	1,678
Ministers	1,295
Teachers	1,650

The farmer's income is reported to be about one to three to that of those employed in transportation and about one to two of all groups outside of the farms.

Can there be any question in the mind of anyone as to the existing unbalanced condition? If so, I commend a careful reading of President Coolidge's message to Congress at the beginning of this session. In it you will find direct reference in these words:

The important place which agriculture holds in the economic and social life of the Nation can not be overestimated. The National Government is justified in putting forth every effort to make the open country a desirable place to live. No condition meets this requirement which fails to supply a fair return on labor expended and capital invested.

If still there be any doubt in the mind of anyone, I most respectfully call attention to their party-platform pledges. I am sure they all have due regard for their party-platform pledges. If one would turn to the platforms of the two major parties they will find, first, an acknowledgment of the direful conditions, and, second, their party-platform pledge for relief.

The Republican Party at its national convention held at Cleveland solemnly declared:

We recognize that agricultural activities are still struggling with adverse conditions that have brought deep distress. We pledge the party to take whatever steps are necessary to bring back the balanced conditions between agriculture, industry, and labor.

Here we have the party's acknowledgment of the adverse conditions and a solemn pledge to bring back the balanced condition between agriculture, industry, and labor.

The Democratic Party at its national convention held at New York pledged itself—

to stimulate by every proper Government activity the progress of the cooperative marketing movement and to the establishment of an export marketing corporation or commission, in order that the exportable surplus may not establish the price of the whole crop.

Here we have a pledge of the Democratic Party to stimulate by every proper governmental activity the progress of the cooperative marketing movement and a commitment to the establishment of an export corporation or commission in order that the exportable surplus may not establish the price of the whole crop.

The purposes of the proposed bill is to bring back the balanced condition between agriculture, industry, and labor, as promised in the Republican platform, and to stimulate the progress of the cooperative marketing movement, to establish an export board, in order that the exportable surplus may not establish the price of the whole crop, as promised in the Democratic platform. Yes; not only to redeem party platform pledges but to comply with the urgent appeals of the thousands of producers, bankers, merchants, professionals, and so forth, to restore normal and better conditions in agriculture.

Briefly, the bill in principle creates a nonsalaried nominating committee of 5 from each of the 12 land-bank districts, 4 elected by bona fide farm organizations and cooperative associations and 1 appointed by the Secretary of Agriculture. Its function would be to submit to the President the names of three from each district eligible to appointment to the Federal farm board. The President shall appoint an administrative farm board of 12, 1 from each Federal land-bank district, which board is vested with powers to assist in the control and disposition of surpluses of basic agricultural commodities—wheat, corn, cotton, rice, and hogs—through agreements reached with cooperative associations or corporations or associations created by one or more of such cooperative associations or other persons engaged in processing such commodities.

In order that each producer shall contribute his ratable share of the cost of marketing and receive his proportionate share of profit and to create a 100 per cent pool of the whole production the bill provides for collection of an equalization fee on each unit of the basic agricultural commodities as it moves in commerce.

It provides assistance to cooperative associations, in handling surpluses, whether basic commodities or not; provides loans to cooperative associations for construction or purchase of facilities for storage or processing surpluses, and authorizes a revolving fund of \$250,000,000 for the purpose of making loans to the stabilization funds, which loans are amply protected and safeguarded by the collection of the equalization fees.

Before the board can commence operations in any basic commodity, it must receive affirmative action by the advisory council, as well as a substantial number of cooperative associations or other organizations representative of the producers, and the decision of the board to operate, or to cease to operate in any basic commodity, must have the assent of the board members representative of districts that produce one-half or more of the Nation's crop of that commodity.

There is no reference to the tariff in the proposed bill. The tariff provision which makes the tariff the yardstick, has been eliminated, but section 1, the declaration of policy, makes it clear as to the purposes of the bill, that is to prevent surpluses from unduly depressing the price obtained for the commodities and to protect the markets against undue and excessive fluctuations, and that section, together with section 6 (i), page 10, makes it clear that the operations of the board and agreements entered into, shall be performed in such manner as to carry out the policy declared. That, coupled with the fact that the make-up of the board rests entirely upon the producers, would make it seem safe to leave it to the discretion of the board, what yardstick to apply in order to carry out the declaration of policy.

Section 18 of the farm export corporation bill, under consideration last session to establish an embargo under certain conditions, has been eliminated. But section 15, definition of sale, reads:

The term "sale" means a sale or other disposition in the United States of wheat, rice, or corn for milling or other processing for market, for resale, or for delivery by a common carrier—occurring after the beginning of operations of the board in respect of wheat, rice, or corn.

which makes it clear that the collection of the equalization fee is to be applied on all sales, foreign or domestic production, of wheat, rice, and corn for milling or other processing, for market, for resale, or for delivery by a common carrier.

It has been contended that the effect of the equalization fee will be to give the importer an advantage over the domestic producer, that is, that the effect will be the same as though the tariff had been reduced to the extent of the equalization fee. This contention is based upon the theory, that the importer would sell or process in the United States, and would not be subject to the payment of the fee. However, under the bill, the importer gains no advantage because the same equalization fee applies on the foreign as upon domestic production. If the equalization fee is imposed upon the processing, it will be collected upon the milling for market of all production, whether or not it has been imported. For wheat on hand, at the beginning of the operating period, the board would undoubtedly have to collect on the processing. In the case of transactions during the operating period, the board would pick either the sale or the transportation. Either one of which will get all wheat, whether intended for domestic use or foreign use. So that, as a result of the three weapons, the board will be able to apply the fee on all wheat entering into a commercial transaction during the operating period. It is not contemplated that the board will pick but one weapon, so that wheat not involved in the class of transactions covered by that weapon, will be immune, but, on the contrary, the three weapons are given the board so that it can apply the fee to all transactions. It should be pointed out that the bill provides that not more than one fee can be collected upon any one unit of the commodity. For example, the fee is paid upon a particular bushel of wheat only once, and can not be collected more than once.

The points of difference between this bill and the one considered by the House at the last session are as follows:

The new bill provides for a nominating committee for each Federal land-bank district in lieu of the Federal farm advisory council. The functions of the two organizations are the same, namely, the selection of three nominees from each Federal land-bank district from which the President is required to make his appointment of the member of the Federal farm board from such district.

The new bill omits cattle and butter from among the basic agricultural commodities and adds rice.

The equalization funds are renamed stabilization funds.

Issuance of serial receipts evidencing a participating interest in an equalization fund is limited to cotton in the new bill.

In the old bill such receipts could be used in respect of all basic agricultural commodities.

In the new bill the equalization fee can be imposed at the time of the transportation, in lieu of the processing or sale, of the basic agricultural commodity.

The new bill eliminates the provision in the former measure deferring collection of equalization fees for two years from the date of the passage of the act.

The old bill provided that the board might require a person engaged in the processing or purchasing of a basic agricultural commodity to collect the equalization fee from the producer. The new bill provides that the board may require any person engaged in the transportation, processing, or purchasing to pay the equalization fee on the commodity as it passes through his hands.

The new bill provides that operations in a basic agricultural commodity shall not be commenced or terminated unless members of the board representing Federal land-bank districts, which in the aggregate produced during the preceding crop year more than 50 per cent of such commodity, vote in favor thereof. The old bill had no corresponding provision.

The new bill provides for a commodity advisory council for each basic agricultural commodity. There was no corresponding provision in the old bill.

In the new bill the authorized appropriation for administrative expenses of the board is made \$500,000, to be available for expenditures incurred prior to July 1, 1928. In the old bill the sum was \$300,000 for expenditures incurred prior to July 1, 1927.

The new bill more clearly defines the functions of the Comptroller General in regard to the stabilization funds and the revolving fund.

The former bill authorized a revolving fund appropriation of \$375,000,000, divided as follows: \$100,000,000 for cotton, \$250,000,000 for other basic commodities, and \$25,000,000 for loans. This bill authorizes an appropriation of \$250,000,000 without subdividing it.

Under the new bill the term "cooperative association" means an association qualified under the Capper-Volstead Act. Under the old bill the term "cooperative association" meant an association, whether or not qualified under that act.

In all of the other important respects the old bill and the new bill are substantially the same. Many changes in arrangement and phraseology have been made.

Not a bill to grant a subsidy or to cram down the throats of the producers further loans to put the farmer deeper in debt, no; nor that kind of legislation so generally and persistently opposed and objected to by practically all of the producers and others who favor practical, sound, sane, safe, and effective legislation.

The proposed bill, although modified in some respects, in principle is the same as bills previously reported out favorably by the committee and given consideration by the House.

The proposed bill is identical with the draft submitted by representatives of numerous farm groups, which was drafted in accordance with resolutions unanimously adopted and agreed to in various conferences held throughout the country, by representatives of farm organizations and cooperative associations, with the exception of amendments added to strengthen the bill in respect to the policy declared and make it clear that it is the purpose of the bill to prevent surpluses of basic agricultural commodities from unduly depressing the price obtained for such commodities, and to make it clear that the operations of the board shall be conducted in such a manner and the agreements entered into by the board during such operating period shall be upon such terms as will carry out the policy declared.

As pointed out in the report, it has been overwhelmingly indorsed by farm and cooperative marketing associations, as well as by the many thousands of farmers, merchants, bankers, professionals, officials, and by various activities from all sections of the United States. Many State legislatures have by legislative memorials urged its enactment.

The two similar measures which have been given consideration by the House, as the Record shows, have received the undivided vote of the Members representing agricultural districts in 20 States and a majority in more than one-half of the States, and, as before stated, it is generally indorsed by the representatives of commercial, industrial, and agricultural activities and the good men and women in the various professions and by representatives of labor organizations.

Are we to turn a deaf ear to their earnest and persistent pleas?

Why the acknowledged depression in the economic conditions, especially in agriculture? As to that there seems to be no question. The causes are, of course, many. The outstanding causes are due to the unwarranted sudden deflation policy, which resulted in the continued disparity in prices between agricultural commodities and other commodities, the low price the farmer receives for what he sells compared with the high price he pays for what he has to buy to operate his farm. In other words, the purchasing and debt-paying power of the farmer's commodities is not on a parity with the purchasing and debt-paying power of the products of industry. Yes, in many instances, the purchasing and debt-paying power of agricultural commodities is less than one-half of the pre-war purchasing and debt-paying power.

It is also due to the large exportable surplus of certain agricultural commodities, and the fact, as indicated in the Democratic platform, the price obtained from the surplus, establishes the price of the whole production. Thus prices are materially lower, due to the unsettled world conditions, and the lower cost of production in foreign countries, which has resulted in an inadequate return to the farmer for his labor, and capital invested.

It is also due to the farmers' inability to organize so as to pool their whole production, and market their commodities in such a way as to receive full benefit of the American price level, as organized industry and labor do.

It is generally conceded in the case of the producer of a commodity of which there is a large exportable surplus that in the absence of an organization vested with power to pool its whole production, the price obtained for the exportable surplus establishes the price of the whole production.

On the other hand, an organization which has a monopoly, or which has the power to pool its whole production, is in position to sell part of its production for domestic consumption, at the world price plus the tariff, and transportation charges incidental to the importation of the competitive article, without affecting the domestic price, and thus materially advancing the average price of the whole production to the producer; the average price, being the world price—the highest net price obtainable in the world market—plus the increase occasioned by the higher price on the part sold for domestic consumption.

Take, for example, wheat, of which there is generally a large exportable surplus. Generally the Liverpool market establishes the world price, which in turn is reflected in the domestic price. As a result, notwithstanding the 42 cents tariff on wheat, the Liverpool price much of the time ranges from 15 cents to 30 cents above the Chicago price. Hence, in case of large exportable surplus, the producers sell their surplus in connection with the surpluses of other nations produced by underpaid labor, on their fertile land, in many cases selling for less than one-fourth of the price of the American farm. Therefore, little if any benefit is received from the tariff.

On the other hand, if a 100 per cent pool were effected, the pool would be in position to establish a price on wheat for domestic consumption, equivalent to the cost of foreign production plus the tariff, transportation, and other expenses incidental to the importation of the foreign production. In other words, considering Winnipeg, Canada, our competitor in wheat, the pool would be in position to establish a domestic price for domestic consumption at the Winnipeg price, plus the tariff, and the cost of delivery to our port of entry. Assuming that the Winnipeg and Minneapolis wheat price to be \$1 and the cost of delivering Winnipeg wheat to our port of entry to be 8 cents per bushel, and the present rate of tariff 42 cents, the cost of the Canadian wheat here would be \$1.50 per bushel, an increase in price of 50 cents per bushel over the Winnipeg price. Our normal production of wheat is approximately 800,000,000 bushels, and our domestic requirements are about 700,000,000 bushels. If the whole production were pooled and marketed and the 700,000,000 bushels sold at \$1.50, and the 100,000,000 bushels sold in competition with Canadian wheat, at the world price, the net profit to the producers would be 50 cents per bushel, on the 700,000,000 bushels, or a net profit of \$350,000,000. There being no profit or loss on the 100,000,000 bushels, the net profit would be \$350,000,000 or a net gain in price of 43½ cents per bushel, on the whole production.

Of course it can not be accomplished, equitably, except through the pooling of the whole production, and the collection of an equalization fee. Anything short of the 100 per cent pool, and the collection of the equalization fee, would fail to give the desired results.

For example, assuming the wheat crop to be 800,000,000 bushels; 700,000,000 bushels required for domestic consumption, and 100,000,000 bushels remaining for export, and the world price to be \$1, and if 50 per cent of the growers should attempt to pool their 50 per cent production, and to advance the price of their 400,000,000 bushels, equal to the 42-cent tariff and 8-cent transportation to port of entry, nonmembers would, of course, take advantage and sell their 400,000,000 bushels at \$1.50, the established price. The pool would have the domestic market for only 300,000,000 bushels, at \$1.50 the domestic price, and would be compelled to sell 100,000,000 bushels in the world market, at \$1 per bushel, which would net the pool \$150,000,000 or only \$1.37½. On the other hand, in case of a 100 per cent pool, the cost of marketing would be only 6¼ cents, or one-half of the 12½ cents, and the net gain would make the price \$1.43¾.

The proposed bill makes the necessary 100 per cent pool, and the collection of the equalization fee possible in a manner so that all producers bear ratably their share of the cost of marketing, and receive proportionately the profits therefrom.

This bill, together with the two bills previously considered by the House, are the only ones that might effect a 100 per cent pool. They are the only bills ever presented that would if enacted equally apportion the cost and benefits to the producers. Bills have been brought to the attention of the Committee on Agriculture, and to the House, having for their purpose the financing and assisting producers in marketing their commodities. One, the bill introduced by the gentleman from Georgia [Mr. CRISP], for whom we all have the greatest respect and admiration. It is contended, that in order to avoid loss to the Treasury whenever prices go below a certain level, the marketing organization might step in and purchase a certain quantity, and by so doing elevate the price to a certain point. No reference is made to the equalization fee to distribute the cost and benefits, if any, ratably to the producers. The result would be that the producers most in need of aid would be compelled to accept of the low prices and would receive no benefit, and others in position to hold their commodities and take the benefit of the higher prices would be the only beneficiaries. In other words, no benefit to those most in need of relief, with some possibility of a gain to the more fortunately situated producers; hence, class legislation pure and simple.

Another remedy has been suggested. To adopt the slogan "Protection for all, or protection for none," which I take it to mean to repudiate party-platform pledges, and if prices of agricultural commodities are low, and the prices of other commodities are high, because of our tariff system and restricted immigration policy—that is, if the prices of the products of industry are high because of the high wage scale and a high rate of duty—the remedy would be to adjust or repeal our immigration and tariff laws; if so, the price would come down. Yes; if the gates are thrown wide open to foreign labor and production, prices will, of course, drop. We would then be on the level with other nations. In my opinion there is no question as to that. Billions of dollars of debts are contracted on inflated basis. In my opinion, debts thus contracted should be liquidated on the same basis. For instance, if a farmer purchased farm implements at the inflated price during the war and gave his note for \$1,000, and the price of wheat at that time was \$2 per bushel, and if he had wheat and sold it, the proceeds of 500 bushels would have paid the debt. Recently the price of wheat has been around \$1 per bushel, and at this price it would require 1,000 bushels to pay the debt. If the price is further deflated, say to 50 cents per bushel, it would require 2,000 bushels. Personally, I am opposed to thus increase the burden of the producer.

I believe in a sound and wise restricted immigration policy and in a protective tariff system, which will maintain the American high standard of living, just and fair to all concerned to encourage American industry and benefit American labor, and that would result in the common good of all the people. Rather than to add to the burden of the farmer and to lower the standard of living, in my opinion, every effort should be made to elevate the purchasing power of agricultural commodities to a level with products of industry and labor, and thus restore, as promised, equality between agriculture, industry, and labor.

As before stated, two bills have been drafted and given consideration by Congress. First, the McNary-Haugen bill, in the Sixty-eighth Congress, to establish and finance a marketing agency vested with power to purchase basic agricultural commodities at the ratio price; that is, at a price comparable with the ratio price received by the farmer for the 10-year pre-war period 1905-1914, minus cost of merchandising, and to sell for domestic consumption at not less than the ratio price and to

export or to sell for export the exportable surplus at the highest obtainable price, and pay the producer ratably the average price obtained.

Had it been enacted and in operation during, say, for the month of December, 1923, the producers of wheat would have received \$1.598 a bushel, minus 10 cents equalization fee, or net \$1.498, instead of \$1.097, making a net gain of 40 cents per bushel. Producers of hogs would have received \$11.34, minus 22 cents equalization fee, or net \$11.12, instead of \$7.05, a net gain of \$4.07, or about 60 per cent increase over the price received. The net increase in the price of butter would have been about 9 cents.

If the Federal farm board bill of 1926, to make the tariff effective to the farmer, had been enacted and in operation and the total production of wheat had been marketed, and the equalization fee collected as provided in that bill, the producers of wheat would have received \$450,500,000, minus the equalization fee of \$131,750,000, or a net profit of \$318,750,000. The net advance in price of butter would have been \$123,925,000; corn, \$522,627,500; lard, \$44,883,300; beef, \$332,078,400; or a total of \$1,342,265,110. A gain in price, at that rate for 11 years, would more than pay every dollar of the farmer's accounts, bills payable, and farm-mortgage indebtedness of approximately \$13,000,000,000—in other words, every dollar the farmer owes.

I shall insert in the Record a table showing equalization fees and net profits if that bill had been in effect during 1925.

Equalization fee and net profits to the producers under the proposed Haugen bill

	Equalization fee	Total net profit
Wheat, 1925.....	\$131,750,000	\$318,750,000
Butter, 1925.....	74,090	123,925,910
Corn, 1925.....	872,500	522,627,500
Lard, 1925.....	21,446,700	44,883,300
Beef, 1925.....	925,200	332,078,400
Total.....	155,068,490	1,342,265,110
Total for wheat, 1925.....	131,750,000	318,750,000
Total for beef, corn, butter, and lard.....	23,318,490	1,023,515,110

I think we are all agreed that what is necessary is the equalization fee necessary to effect the 100 per cent pool. No other way has been suggested. The equalization fee seems to be the question before us.

We all know why. We know who are opposed to it. There is no question about that. If you are in doubt about that, I invite you to read the hearings, and then you will know exactly who they are. I must not take more time. We will discuss the bill later in detail. I refer, gentlemen, to the hearings as to the details. In response to the gentleman's inquiry as to who are opposed, just to give you an idea of who they are who are opposed to this legislation, I read from the hearings (p. 156). Mr. Wells, chairman of the Minneapolis Chamber of Commerce, gives his statement. He represents the grain exchanges, and he, Mr. Wells, states the grain exchanges are unalterably opposed to any form of agricultural relief legislation, embracing an equalization fee and artificial stimulation of price. It would interfere with their business. There are millions in it. My friends, if you had the power to jump the market up and down 10 or 15 cents a day, there would be millions in it. I am not complaining. They have made their money out of it, and as long as they have the power to make their money out of it they are of course opposed to giving up that power. I did not expect this question to be raised. We know who they are. We know their reasons. We know why they are opposed to it. They have been here and, as one stated, "Oh, yes; we went to Washington and we found that that infamous McNary-Haugen bill was to pass by a large majority. But we got busy and worked night and day, and we succeeded in defeating the bill by 75 votes."

Now, gentlemen, if you have any desire to ascertain who controls the market, consult the combination between England, France, Holland, and the United States buyers, and you will know why we have the fluctuation.

It is true that under the arrangements made they are not allowed to deflate the price more than 5 per cent, so that if wheat is \$1.50 you can only deflate it 7½ cents in a day. If the purpose is to deflate the price 20 cents, it will take three days to accomplish it.

I appreciate that all laws enacted are not perfect in all their details, but, nevertheless, we are entitled to just laws and an honest administration of such laws. We can not afford to be contented with anything less. Legislation not to deprive an in-

dividual or corporation of a single dollar or interest honestly acquired, but legislation always proceeding in an honorable and dignified manner, with a spirit of fairness, and just to all concerned; legislation not in accord with the views of those who have no respect for law and order or property rights, but legislation to promote progress, prosperity, and happiness to all worthy and deserving people in every community, in order that we may have the fullest development of every worthy and legitimate enterprise.

All laws passed may not be perfect in all their details. I believe every one has been helpful to the producer in bringing about the desired results. Be that as it may, the fact that beneficial laws have been enacted is no excuse for anybody to refuse to put his shoulder to the wheel in an honest effort to further improve our economic condition, especially in agriculture.

If we study the life and character of the men and women who have made this country what it is; the men and women who have so generously assisted in making our towns, cities, and villages; building our roads and bridges, constructing our vast system of public schools, building the temples of religion, building the charitable institutions; many in poverty and reverses, sickness, and distress, others in health and wealth, prosperity and happiness, sympathizing with each other's woes, sharing each other's joys, step by step, advancing along the lines of accumulation of wealth, culture, and refinement until we boast of the fact that we rank among the most successful and practical people on earth. Our onward march to true greatness has placed us in the foremost ranks of modern civilization and refinement. All of it under a government of the people, by the people, and for the people. Truly, these wonderful achievements, the morality and industry of our people, are not the achievements of an ignorant or indolent people. To the contrary, they bear upon them the impress of the most enlightened views and policies executed by an industrious, intelligent, God-fearing, liberty-loving people. True, sunshine and rain and the rich soil has had much to do with it. After all, the energy and industry, intelligently applied by the tillers of the soil, who have cleared the forests, transformed the prairies and wilderness into a bed of roses and productive fields producing bread in sufficient quantities to supply not only our own beloved people with food but millions in foreign lands, and thus placing our Nation at the head of all agricultural nations, are, in my opinion, justly entitled to consideration and the modest demand that Congress redeem solemn pledges made in their party platforms; that they be afforded an opportunity to market their production in a way to also give them the benefit of the American price level as afforded to industry and labor, who are able, because of their fewer numbers, to organize and take the benefit of our laws affording protection.

To do for the farmers what was done by the enactment of the Federal reserve system and the many acts extending aid, assistance, and relief to numerous other activities. In other words, to afford equal advantages, aid, and opportunities to all.

The question consequently is, Are you in favor of subterfuge measures or further delay; or, are you in favor of redeeming party platform pledges?

As stated in the comptroller's report, 574 banks closed last year. Are you in favor of closing 574 or more banks the current year? As stated in the Attorney General's report, 7,777 of the 47,000 cases in bankruptcy last year were classed as farmers, outside of the thousands and thousands of mortgage foreclosures and voluntary liquidations. Are you in favor of further delay and in favor of forcing 7,777 more farmers into bankruptcy, and thousands and thousands of farm foreclosures? Practically 10,000 commercial failures occur every year. Are you in favor of commercial failures? Edgar Wallace, representative of the Federation of Labor, recently stated at the hearings on a bill proposing increased pay for overtime that one-half of the employees in the textile mills and coal mines are out of employment. Press reports indicate that 15,000 people are out of employment in the city of Baltimore. Shall we delay and thus keep those already out and others out of employment? Representatives of the various labor groups have joined with others in an earnest request for farm relief legislation from time to time. Shall we turn a deaf ear to the urgent appeals of farmers, labor, and thousands of others who are and have been all these years knocking at the door of Congress requesting farm relief legislation?

Now then, my friends, I recall reading some very interesting telegrams coming from the South, urging the President to call an extra session of Congress to relieve the cotton situation. That was the cry only a few months ago. They did not want to wait until the convening of Congress in December. Oh, my friends, had the bill passed and had they received the

ratio price they would have received 18.6 cents a pound instead of the 12.8 cents which they receive, and that would have given them a profit of 5.8 cents a pound over the amount received. Oh, my friends, are we going back and say to those people we have decided to ignore the promise made in our platform; that we gave the matter thought, and we found the farmers, 6,000,000 of them, receiving \$730 a year as compared with \$2,141 paid to others, and came to the conclusion that the farmers were getting all they were entitled to? Are you going back and tell them you had an opportunity to vote to improve conditions, but did not avail yourselves of it? No; my friends, I know better. I know that you and every other Member of this House have a just and pardonable pride in our Nation's growth and greatness.

We are living in an age of marvelous expansion and we are moving at a mighty pace. We are eager to see the wheels of industry move and to see that every energy is employed and that prosperity and happiness are in evidence everywhere.

All of us feel it our duty, no matter what our political affiliations or our occupations may be, to strive to benefit our country and to protect the weak and relieve the distressed and to give honest and thoughtful consideration to securing the full benefit of our natural resources, the development of mechanical appliances in the promotion of the skill and genius of American workmen. We conceive it to be our duty to see to it that nobody is imposed upon but that all are given adequate protection against any invasion on the part of unscrupulous people, in order that we may have the fullest development of every worthy and legitimate enterprise.

Oh, my friends, I listened yesterday to the remarks of the distinguished gentleman who called attention to class legislation. He was opposed to this legislation. I would like to ask the gentleman whether he would be in favor of repealing what is generally termed "class legislation" for the benefit of labor and industry through our tariff laws and our restricted immigration laws. Would he repudiate his party platform and suggest that we embark upon a program of free trade and unrestricted immigration?

Should we adopt the slogan, protection for all or protection for none? The most unfortunate thing I can think of would be the opening of the gates to foreign production and foreign labor, thereby lowering the American standard to the level of the world. Prices would fall—there is no question about that—and we would then be on a level with the world. Can it be possible that anyone would suggest such a thing? How unjust it would be for those who are seeking relief.

As an illustration, much of our indebtedness was contracted on an inflated basis and my contention is that these people should be given an opportunity to redeem these obligations on the same basis. A farmer purchasing farm implements during the war at \$1,000, we will say, gave his note for this purchase. If wheat was worth \$2 a bushel, 500 bushels would pay for the implements; but if he sold his wheat recently at a dollar a bushel, it would require 1,000 bushels of wheat to pay his note. Now, the suggestion is to deflate the price further and to deflate the debt-paying power further. If we cut it in two, it would then require 2,000 bushels to redeem this note instead of 500 bushels at the time it was given.

Let me call to the attention of the gentleman from Alabama [Mr. HUDDLESTON], who is a friend of labor, I am sure, the fact that a few years ago more than 6,000,000 farmers found themselves without credit and without cash to purchase the things necessary to operate their farms—the farmers then constituting 35 per cent of the purchasing power—when consumption dropped, production, of course, fell correspondingly, which resulted in separating 6,000,000 people from the pay rolls.

Do you wonder, my friends, that the representatives of labor appeared before the committee and pleaded most earnestly for relief? I never knew of anyone pleading as earnestly as they did for the committee to report out a bill that might put the farmer back on his feet; they stated the farmers are our customers, and when they are without money we are without work. Mr. Edgar Wallace, representing the Federation of Labor, stated, "Of what benefit is it to me if we can get meat for 10 cents a pound if we haven't the 10 cents." All representatives of labor organizations appearing before the committee were all of one accord in urging legislation identical in purpose with the bill now before us.

Shall we wait further? Shall we defer action until 7,777 farmers have gone into bankruptcy? Shall we defer action until 574 banks have closed? Shall we wait until the Federal land bank, the insurance companies, and the various loaning companies throughout the country foreclose their mortgages and take title to their farms? After they have acquired their farms, we will then give consideration to the claims of

agriculture? No, my friends; we have deferred the matter long enough. Had you voted for the bill three years ago your farmers would now be getting 18 cents or better for cotton in New York.

The question at issue here is the equalization fee, but without the equalization fee you have simply a lending proposition, and let me say to you that we have passed loan bills galore and have urged the farmers to borrow money. They have been put in debt so deep that many of them will never get out. Are we going to put them deeper in debt or are we going to give them relief by giving them what they have asked for and what they are so universally in favor of? I thank you. [Applause.]

Under leave to print, I append to my remarks table prepared by the Bureau of Labor Statistics in January, 1924, indicating the ratio prices of commodities for 1923 and showing the effect if the McNary-Haugen bill had been in operation and the corporation functioning in the month of December, 1923, printed on page 2 of the hearings of January 21, 1924, on the McNary-Haugen bill:

Market prices of commodities

Index of all commodities, 1905-1914.....	100.0
Index of all commodities, year 1923.....	162.3
Index of all commodities, December, 1923.....	159.8

Individual commodities	Average market price, 1905-1914	Average market price, year 1923	Average market price, December, 1923	Ratio price, year 1923	Ratio price, December, 1923
Cotton, upland middling.....	\$0.120	\$0.293	\$0.358	\$0.194	\$0.191
Corn, contract grades, cash, Chicago.....	.602	.821	.730	.977	.962
Wheat, range of No. 1 northern spring and No. 2 Red Winter, Chicago.....	1.000	1.163	1.097	1.624	1.598
Cattle, good to choice, steers, Chicago.....	6.853	9.952	7.785	11.123	10.949
Hogs, heavy, Chicago.....	7.099	7.690	7.050	11.522	11.342
Sheep, wethers, Chicago.....	5.379	7.648	8.000	8.731	8.594
Flour, patents, Minneapolis.....	5.127	6.365	6.100	8.322	8.192
Wool, one-fourth and three-eighths grades, scoured basis, Boston.....	.492	.979	.964	.799	.787

The indexed number of all commodities—1905-1914—is 100. Index number for all commodities, December, 1923, was 159.8. According to it, prices of all commodities increased 59.8. The average market price of wheat in Chicago for 1905-1914 was \$1. The ratio price for December, 1923, was 1.598. The average market price for December was 1.097. The price of wheat would have advanced 50.1. In other words, eliminating the decimals, the farmer would have received 1.59 for his wheat instead of 1.09, an increase in price of 50 cents a bushel. If the corporation had estimated the number of bushels required for domestic consumption at 600,000,000 bushels and the surplus for export at 150,000,000 bushels and the loss on the exportable surplus at 50 cents a bushel, or \$75,000,000, it would have found it necessary to withhold or collect \$75,000,000 from all purchases, or 10 cents a bushel on the whole crop. If so, the farmer would have received \$1.49 in cash and a receipt for 10 cents instead of \$1.09, the amount which he received.

If the bill had been in effect the 1st of last December, according to the table furnished by the Department of Labor just referred to, the indexed number of all commodities of December, 1923, was 159.8. The current price of hogs in December was \$7.05; the ratio price would have been \$11.34, and the price of hogs would have been increased \$4.29, or about 60 per cent.

Suppose there had been declared a special emergency on butter the 1st of May. The current price in New York, 35½ cents to 36½ cents, say 36 cents, extra creamery, score 92, would have been advanced to 45 cents, or 9 cents a pound, which is 25 per cent increase over 36 cents.

Also a table furnished in April, 1926, indicating the ratio price of commodities for April, 1926:

Index of all commodities, 1905-1914.....	100.0
Index of all commodities, year 1924.....	158.1
Index of all commodities, March, 1926.....	160.0

Individual commodities	Average market price, 1905-1914	Average market price, year 1924	Average market price, March, 1926	Ratio price, year 1924	Ratio price, March, 1926
Butter, extra, New York.....	\$0.285	\$0.427	\$0.420	\$0.450	\$0.456
Cotton, upland middling, New York.....	.120	.287	.194	.189	.191
Corn, contract grades, cash, Chicago.....	.602	.972	.741	.952	.963

Individual commodities	Average market price, 1905-1914	Average market price, year 1924	Average market price, March, 1926	Ratio price, year 1924	Ratio price, March, 1926
Wheat, range of No. 1 northern spring and No. 2 red winter, Chicago.....	\$1.000	\$1.301	\$1.651	\$1.582	\$1.601
Cattle, good to choice, steers, Chicago.....	6.853	9.669	9.690	10.835	10.965
Hogs, heavy, Chicago.....	7.099	8.488	11.490	11.223	11.358
Sheep, wethers, Chicago.....	5.379	8.391	9.150	8.505	8.607
Flour, patents, Minneapolis.....	5.127	7.191	8.805	8.106	8.204
Wool, one-quarter and three-eighths grades, scoured basis, Boston.....	.492	.997	.873	.778	.788

Index union scale of wages, 1905-1914.....	100.0
Index union scale of wages, May, 1924.....	245.3
Index union scale of wages, May, 1925.....	255.8

Also a table furnished in February, 1926, by the Bureau of Labor Statistics indicating the ratio price of commodities for 1925 and January, 1926:

Market prices of commodities

Index of all commodities, 1905-1914.....	100.0
Index of all commodities, year 1925.....	167.6
Index of all commodities, January, 1926.....	164.7

Individual commodities	Average market price, 1905-1914	Average market price, year 1925	Average market price, January, 1926	Ratio price, year 1925	Ratio price, January, 1926
Butter, extra, New York.....	\$0.285	\$0.454	\$0.445	\$0.477	\$0.469
Cotton, upland middling, New York.....	.120	.235	.208	.200	.197
Corn, contract grades, cash, Chicago.....	.602	1.038	.804	1.009	.992
Wheat, range of No. 1 Northern Spring and No. 2 Red Winter, Chicago.....	1.000	1.718	1.852	1.677	1.648
Cattle, good to choice, steers, Chicago.....	6.853	10.659	9.875	11.486	11.287
Hogs, heavy, Chicago.....	7.099	12.250	11.625	11.898	11.692
Sheep, wethers, Chicago.....	5.379	9.323	10.031	9.016	8.890
Flour, patents, Minneapolis.....	5.127	8.828	9.406	8.593	8.445
Wool, one-quarter and three-eighths grades, scoured basis, Boston.....	.492	1.015	.964	.825	.811

Also a table furnished in February, 1927, by the Bureau of Labor Statistics:

Average market prices and ratio of prices of selected commodities for specified dates

Individual commodities	Average market price, 1905-1914	Average market price, year 1926	Average market price, December, 1926	Average market price, January, 1927	Ratio price, year 1926	Ratio price, December, 1926
Cotton, upland middling.....	\$0.120	\$0.175	\$0.128	\$0.134	\$0.191	\$0.186
Corn, contract grades, cash, Chicago.....	.602	.759	.755	.768	.961	.937
Wheat, range of No. 1 northern Spring and No. 2 Red Winter, Chicago.....	1.000	1.547	1.421	1.407	1.596	1.536
Cattle, good to choice, steers, Chicago.....	6.853	9.529	9.719	10.295	10.935	10.660
Hogs, heavy, Chicago.....	7.099	12.336	11.769	11.970	11.327	11.042
Sheep, wethers, Chicago.....	5.379	8.181	7.094	7.515	8.594	8.368
Flour, patents, Minneapolis.....	5.127	8.426	7.631	7.463	8.182	7.976
Wool, one-fourth and three-eighths grades, scoured basis.....	.492	.830	.818	.800	.786	.766
Butter, creamery, extra, New York.....	.285	.443	.540	.497	.454	.443
Rice, Honduras.....	1.049	.073	.064	.063	.079	.077
Lard, prime, contract.....	8.100	.150	.128	.129	.159	.155
Tobacco, burley, Louisville.....	14.118	22.462	21.000	21.000	22.528	21.961

* Computed price, based on price of domestic rice at New York.
* Average price for years 1908 to 1914.

Index numbers of all commodities

(1905-1914=100)

Average for year 1926.....	159.5
December, 1926.....	155.4

Also table indicating the production and net exports of wheat, corn, beef (slaughtered), lard, butter, and tables indicating the world price and domestic price, the tariff, and a net profit to the producers had the proposed bill been in operation for the years 1924, 1925, and 1926:

Wheat

[From Department of Agriculture]

Crop year	Production	Net exports
	<i>Bushels</i>	<i>Bushels</i>
1923-24.....	791,797,381	128,473,000
1924-25.....	862,627,000	251,915,000
1925-26.....	832,305,000	92,371,000

PRICES—No. 1 dark northern at Minneapolis and No. 1 northern at Winnipeg

Year	Minneapolis	Winnipeg	Tariff	Freight	Equalization fee	Net profit per bushel	Total profit
1923-24.....	\$1.24	\$1.00	\$0.42	\$0.03	\$0.034	\$0.171	\$140,148,364
1924-25.....	1.68	1.66	.42	.03	.154	.376	324,347,752
1925-26.....	1.65	1.51	.42	.03	.034	.276	229,716,180

If the bill had been in operation during the crop year of 1923-24, the wheat grower would have received the Winnipeg price of \$1 plus the tariff of 42 cents and transportation charges of 3 cents, or a total of \$1.45, instead of the Minneapolis price of \$1.24, a gain of 21 cents per bushel, minus the equalization fee to cover the discount of 21 cents per bushel on the 128,473,000 bushels exported, or \$26,979,330, to be distributed over 791,797,381 bushels, or an equalization fee of \$0.034, a net profit per bushel of \$0.177, and a total profit of \$140,148,364.

If the bill had been in operation during the crop year 1924-25, the wheat grower would have received the Winnipeg price of \$1.66 plus the tariff of 42 cents and transportation charges of 3 cents, or a total of \$2.11, instead of the Minneapolis price of \$1.58, a gain of 53 cents per bushel, minus the equalization fee to cover the discount of 53 cents per bushel on the 251,915,000 bushels exported, or \$132,514,950, to be distributed over 862,627,000 bushels, or an equalization fee of \$0.155, a net profit per bushel of 37.6 cents, and a total profit of \$324,347,752.

The wheat crop for the crop year 1925-26 has been estimated at 832,305,000 bushels and the exports to May 1, 70,000,000 bushels. The wheat grower would receive, if the bill were in operation, the Winnipeg price of \$1.51 plus the tariff of 42 cents and the transportation charges of approximately 3 cents, or a total of \$1.96, instead of the Minneapolis price of \$1.65, a gain of 31 cents per bushel, minus the equalization fee to cover the discount of 31 cents per bushel on the 92,371,000 exported, or \$28,635,000, to be distributed over 832,305,000 bushels, or an equalization fee of 4 cents, a net profit of \$0.276 per bushel, and a total profit of \$229,716,180.

Corn

	Bushels
Production.....	3,000,000,000
Exports, 1924.....	23,000,000
Exports, 1925.....	5,000,000
Exports, estimated.....	24,783,000

Prices of corn

[Chicago prices by Department of Labor, and Buenos Aires prices by Department of Agriculture]

Year	Chicago price	Buenos Aires price	Export tax	Tariff	Ocean freight	Total	Equalization fee	Net profit per bushel	Total profit
1924.....	\$0.972	\$0.83	\$0.01	\$0.15	0.11½	\$1.10½	\$0.001	\$0.129	\$387,000,000
1925.....	1.038	.94	.01	.15	.11½	1.21½	.0003	.1742	522,627,500
1926.....	.759	.67	.01	.15	.11½	.94½	.0017	.1818	480,861,000

If the bill had been in force in 1924 the corn grower would have received the Argentine price of 83 cents, plus the tariff of 15 cents, plus the export tax, which was 1.54 cents in February, 1926, 1.03 cents in March, and 0.46 cent in April, or say 1 cent, and the ocean freight to Baltimore or New York, say 11½ cents, the rate March last, or a total of \$1.10½, instead of the Chicago price of 97.2 cents, a gain of approximately 13 cents per bushel, minus the equalization fee of 13 cents on 23,000,000 bushels to be distributed over a total production of 3,000,000,000, assuming that the total production had been marketed. If so, an equalization fee of \$0.001 per bushel, a net gain of \$0.129 per bushel, or a total profit of \$387,000,000.

If the bill had been in force in 1925 the corn grower would have received the Argentine price of 94 cents, plus the tariff

of 15 cents, plus the export tax of 1 cent, and the ocean freight of 11½ cents, or a total of \$1.21½, instead of the Chicago price of \$1.038 (see ratio table furnished by Department of Labor), a gain of 17.45 cents per bushel, minus the equalization fee of 17.45 cents on 5,000,000 bushels to be distributed over a total production of 3,000,000,000, assuming that the total production had been marketed, or an equalization fee of \$0.0003 per bushel, a net gain of \$0.1742, a total profit of \$522,627,500.

If the bill had been in force in 1926 the corn grower would have received the Buenos Aires price of 67 cents, plus the tariff of 15 cents, plus the export tax of 1 cent, and the ocean freight of 11½ cents, or a total of \$0.94½, instead of the average Chicago price of 75.9 cents, a gain of 18.35 cents per bushel, minus the equalization fee of 18.35 cents on 24,783,000 bushels, to be distributed over a total production of 2,645,000,000 bushels, assuming that the total production had been marketed, or an equalization fee of \$0.0017 per bushel, a net gain of \$0.1818, or a total profit of \$480,861,000.

Beef slaughtered

	1925	1924
Production.....	7,146,000,000	7,065,000,000
Exports.....	39,000,000	40,000,000
Imports.....	17,000,000	21,000,000
Net exports.....	22,000,000	19,000,000

Prices on English beef sides, average top price, London; and on choice western dressed at New York

[From Department of Agriculture]

	New York	London	Tariff	Transportation	Equalization fee	Net profit per pound	Total profit
1924.....	\$0.184	\$0.1794	\$0.03	\$0.015	\$0.0001	\$0.04	\$284,658,400
1925.....	.1921	.1937	.03	.015	.00014	.0465	332,078,400
1926.....	.1760	.1871	.03	.015			

If the bill had been in operation in 1924 the producer would have received the London price of \$0.1794 plus the tariff of \$0.03 and the transportation charges of approximately \$0.015, or a total of \$0.2244, instead of the New York price of \$0.184, a gain of \$0.0404, minus the equalization fee, on 19,000,000 pounds, to be distributed over the total production, which would be but a small fraction of a cent, or \$0.0001. That is, the producer would have received a profit of approximately \$0.04 a pound, or a total profit of approximately \$284,658,400.

If the bill had been in operation in 1925 the producer would have received the London price of \$0.1937 plus the tariff of 3 cents and the transportation charges of approximately \$0.015, or a total of \$0.22387, instead of the average New York price of \$0.1921, a gain of \$0.0466, minus the equalization fee, on 22,000,000 pounds, to be distributed over the total production, which would be but a small fraction of a cent, or \$0.00014. That is, the producer would have received a profit of approximately \$0.0465 a pound, or a total profit of approximately \$332,078,400.

Profit for 1926 not available, as production statistics for 1926 not available.

Lard

	1925	1926
Production..... pounds.....	2,211,000,000	(1)
Exports..... do.....	719,000,000	717,000,000

PRICES

[From Department of Commerce]

Chicago.....	\$0.168	\$0.15
Liverpool.....	.183	.164
Tariff.....	.01	.01
Transportation.....	.005	.005
Equalization fee.....	.0097	
Net profit per pound.....	.0203	
Total profit.....	44,883,300	

¹ Not available.

The average Liverpool price for lard in the year 1925 was 18.3 cents per pound, and if the bill had been in effect the producer would have received the Liverpool price of 18.3 cents plus the tariff, which is 1 cent, plus the cost of transportation to the port of entry, say, one-half cent, or a total of 19.8 cents, a gain of 3 cents over the Chicago price of 16.8 cents minus the equalization fee of \$21,446,700, to be distributed over the total

production, which would be approximately \$0.0097 per pound, a net profit per pound of \$0.203, or a total profit of \$44,883,300.

CATTLE, 1925

The average Buenos Aires price for steers, medium to good, averaging 1,320 pounds, in the year 1925 was \$5.66, or 5.6 cents per pound, and if the bill had been in operation the cattleman would have received the Argentine price plus the tariff of 1½ cents plus the cost of transportation to the port of entry, say, 4 cents, or a total of 11.1 cents instead of the average Chicago price of approximately 10 cents, a gain of 1.1 cents less the equalization fee.

CATTLE, 1926

The average Buenos Aires price for steers: Choice, in the year 1926, was \$5.16 or 5.16 cents per pound, and if the bill had been in operation the cattleman would have received the Argentine price plus the tariff of 2 cents, plus the cost of transportation to the port of entry, say 4 cents, or a total of 11.16 cents, instead of the average Chicago price of approximately 9.46 cents, less the equalization fee.

Butter from Department of Agriculture
POUNDS

	Production	Exports	Imports	Net imports	Net exports
1924.....	2,000,000,000	5,425,000	29,466,000	24,041,000	
1925.....	2,000,000,000	8,384,000	7,189,000		1,195,000
1926.....	(¹)	5,180,000	6,440,000	1,160,000	

PRICES

	New York	London (Danish)	Copenhagen	Tariff	Freight	Minus equalization fee	Net profit per pound	Total profit
1924.....	\$0.426	(\$0.417)	\$0.397	\$0.08	\$0.01		\$0.061	\$122,000,000
1925.....	.453	(.448)	.425	.08	.01	\$0.000037	.061963	123,925,910
1926.....	.443	.394	.365	.12	.01	.00016	.052	6,952,072

¹ Not available.

If the bill had been in operation in 1924 the butter producer would have received the Copenhagen price of \$0.397 plus the tariff of 8 cents and transportation charges of approximately 1 cent, or a total of \$0.487, instead of the New York price of \$0.426, a gain of \$0.061 per pound, or a total profit of \$122,000,000. Imports were in excess of exports for the year 1924, hence no equalization fee. All that would have been necessary to insure the advance would have been to regulate the importations as provided in section 18.

If the bill had been in operation in 1925, the butter producer would have received the Copenhagen price of \$0.425 plus the tariff of 8 cents and transportation of 1 cent, or a total of \$0.515, instead of the New York price of \$0.453, a gain of \$0.062 minus the equalization fee on 1,195,000 pounds to be distributed over the total production of 2,000,000,000 pounds, which would be less than four-thousandths of 1 cent per pound. That is, the producer would have received a profit of \$0.062 a pound on 2,000,000,000 pounds, or \$124,000,000, less \$0.062 on the 1,195,000 pounds exported—\$74,090—or a net profit of \$123,925,910.

If the bill had been in operation in March, 1926, the butter producer would have received the Copenhagen price of \$0.365 plus the tariff of 12 cents and transportation charges of approximately 1 cent, or a total of \$0.495, instead of the New York price of \$0.443, a gain of 5.2 cents per pound minus the equalization fee on 298,317 pounds to be distributed over the total production of 133,992,000, which would be approximately \$0.0001 a pound. That is, the producer would have received a profit of \$0.052 a pound on 133,992,000 pounds, or \$6,367,584, minus \$0.052 on the 298,317 pounds exported—\$815,512—or a net profit of \$12,022,432.

Production, United States and world, 1926

Commodity	United States, 1926	World, 1926, countries reporting
Wheat.....bushels.....	832,305,000	1,328,091,000
Corn.....do.....	2,645,031,000	3,516,106,000
Cotton.....bales.....	18,618,000	25,865,000
Rice, cleaned.....pounds.....	1,130,056,000	39,201,203,000
Tobacco.....do.....	1,323,358,000	2,071,704,000
Lard.....do.....	(¹)	(¹)
Beef.....do.....	(¹)	(¹)
Butter, farm and factory.....do.....	(¹)	(¹)
Cattle, live.....	59,148,000	(¹)

¹ World total production, exclusive of Russia and China, estimated to be about 3,441,000,000 bushels.

² Bales of 500 pounds gross weight.

³ Not yet available.

⁴ Number on hand Jan. 1. On hand Jan. 1, 1927, \$57,521,000.

Production, United States and world, 1924 and 1925

Commodity	1924		1925	
	United States	World	United States	World
Wheat.....bushels.....	864,428,000	3,145,000,000	676,429,000	3,400,000,000
Corn.....do.....	2,309,414,000	3,729,000,000	2,916,961,000	3,108,023,000
Rice.....pounds.....	902,722,000	127,000,000,000	925,250,000	126,000,000,000
Tobacco.....do.....	1,251,343,000	3,258,270,000	1,376,628,000	3,287,000,000
Cotton.....bales.....	13,628,000	24,800,000	16,104,000	27,900,000

Trade of the United States in specified products, 1923-1926

	Domestic exports	General imports	Net exports
Year ending June 30			
Tobacco, unmanufactured, including stems, trimmings, and scrap:			
1923.....pounds.....	454,364,000	75,786,000	378,578,000
1924.....do.....	597,630,000	54,497,000	543,133,000
1925.....do.....	450,702,000	76,870,000	373,832,000
1926.....do.....	537,240,000	69,974,000	467,266,000
July-December, 1926.....do.....	250,531,000	33,103,000	217,428,000
Butter:			
1923.....do.....	9,410,000	15,772,000	16,362,000
1924.....do.....	5,425,000	29,466,000	24,041,000
1925.....do.....	8,384,000	7,189,000	1,195,000
1926.....do.....	5,280,000	6,440,000	1,160,000
July-December, 1926.....do.....	2,575,000	4,050,000	1,475,000
Cattle, live:			
1923.....do.....	61,000	252,000	191,000
1924.....do.....	33,000	155,000	122,000
1925.....do.....	106,000	136,000	30,000
1926.....do.....	35,000	215,000	180,000
July-December, 1926.....do.....	12,000	120,000	108,000
Year ending Dec. 31			
Lard: ¹			
1923.....pounds.....	1,075,000,000		1,075,000,000
1924.....do.....	986,000,000		986,000,000
1925.....do.....	719,000,000		719,000,000
1926.....do.....	717,000,000		717,000,000
Beef and veal: ²			
1923.....do.....	42,000,000	26,000,000	16,000,000
1924.....do.....	40,000,000	25,000,000	15,000,000
1925.....do.....	39,000,000	20,000,000	19,000,000
1926.....do.....	25,000,000	20,000,000	5,000,000
Year ending June 30			
Wheat, including flour: ³			
1923.....bushels.....	224,900,000	20,031,000	204,869,000
1924.....do.....	159,880,000	28,079,000	131,801,000
1925.....do.....	260,803,000	6,201,000	254,602,000
1926.....do.....	108,035,000	15,064,000	92,971,000
July-December, 1926.....do.....	146,648,000	9,352,000	137,296,000
Corn, including cornmeal:			
1923.....do.....	96,596,000	138,000	96,458,000
1924.....do.....	23,135,000	228,000	22,907,000
1925.....do.....	9,791,000	4,617,000	5,174,000
1926.....do.....	24,783,000	635,000	24,148,000
July-December, 1926.....do.....	9,208,000	856,000	8,352,000
Rice, including flour, meal, and broken rice:			
1923.....pounds.....	370,670,000	69,536,000	301,134,000
1924.....do.....	227,757,000	38,210,000	189,547,000
1925.....do.....	112,037,000	57,677,000	54,360,000
1926.....do.....	48,175,000	129,966,000	181,791,000
July-December, 1926.....do.....	89,376,000	30,554,000	58,822,000
Cotton, unmanufactured, including lint:			
1923.....bales.....	4,253,000	4,494,000	4,759,000
1924.....do.....	5,899,000	5,905,000	5,594,000
1925.....do.....	4,439,000	3,244,000	8,115,000
1926.....do.....	4,212,000	3,338,000	7,574,000
July-December, 1926.....do.....	4,202,000	1,154,000	6,048,000

¹ Net imports.

² 1923-1925 taken from Meat Production, Consumption, and Foreign Trade in the United States, calendar year 1907-1925 by John Roberts, Bureau of Animal Industry, and 1926 from Monthly Summary of Foreign Commerce of the United States, December issue, 1926.

³ Exports plus reexports minus imports. Flour has been converted to terms of grain on the basis of 1 barrel equals 4.7 bushels of grain.

⁴ Bales of 500 pounds gross.

⁵ Bales of 478 pounds net.

From Department of Agriculture prices

CATTLE (LIVE)

Year	Chicago price, good beef steers, 1,000-1,200 pounds	Winnipeg price, good steers, 1,000-1,200 pounds	Tariff
1924.....	\$9.49	\$5.27	
1925.....	10.19	5.98	(¹)
1926.....	9.46	6.22	

¹ Live cattle weighing less than 1,050 pounds 1½ cents per pound. Weighing over 1,050 pounds 2 cents per pound.

² Average January-October.

From Department of Agriculture prices—Continued
COTTON (MIDDLING)

Year	New Orleans	Liverpool	Tariff
August-September:			
1923-24.....	Cents 30.32	Cents 30.50	Free.
1924-25.....	24.21	26.97	
1925-26.....	19.71	21.84	
August-January, 1926.....	14.12	16.06	

RICE

Year	New Orleans Blue Rose	London Carolina rice	Tariff
1924.....	Cents 5.5	Cents 6.9	Per pound \$0.02
1925.....	6.5	8.0	.02
1926.....	6.2	8.2	.02

TOBACCO (LEAF)

Year	Average Virginia-North Carolina flue cured	London Virginia leaf	Tariff
1924..... per pound.....	Cents 22.5	Cents 38.6	
1925..... do.....	20.0	42.2	(¹)
1926..... do.....	25.9	42.6	

¹ The tariff on tobacco is shown below. It is to be observed that there is a wide range on the various types of tobacco.

² Average January-November.

	Price per pound	Para-graph, act of 1922
7. Tobacco:		
Wrapper—		
Stemmed.....	\$2.75	601
Unstemmed.....	2.10	601
Filler, when mixed with more than 35 per cent wrapper—		
Stemmed.....	2.75	601
Unstemmed.....	2.10	601
Filler, n. s. p. f.—		
Stemmed.....	.50	601
Unstemmed.....	.35	601
Leaf—		
Stemmed.....	2.75	601
Unstemmed.....	2.10	601
All other tobacco.....	.55	603
Scrap tobacco.....	.35	603
Cigars and cigarettes.....	14.50	605

¹ Plus 25 per cent ad valorem.

Also, a summary of control measures in foreign countries, prepared by the American Farm Bureau Federation, as submitted by Mr. Chester H. Gray, Washington representative:

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., February 9, 1927.

Hon. GILBERT HAUGEN,
Chairman House Committee on Agriculture,
House Office Building, Washington, D. C.

MY DEAR CHAIRMAN HAUGEN: In the long fight which has been conducted in the United States for legislation which will permit farmers and farm organizations to set up governmental machinery in a Federal farm board so as to enable proper disposition of surpluses, many references have been made to efforts in foreign countries to improve the condition of agriculture.

In order that we might know what countries really are grappling with this problem, I have had Mr. W. R. Ogg, assistant to the director of legislation, American Farm Bureau Federation, prepare a "Summary of control measures in foreign countries." Much of this material is condensed from Agricultural Economics Bibliography No. 12 and No. 18, issued by the Bureau of Agricultural Economics of the United States Department of Agriculture. This source of information guarantees in a large way the accuracy of the summary which I am herewith handing you.

It is interesting to note that in many foreign countries where control measures are in operation the products shipped from those countries are consumed in large quantities by the American farmers. This being true, it seems wise for the American farmer to place himself in

such position that his crops will bring enough money to enable him to make purchases of these foreign products.

We can not help noting that the equalization plan in the McNary-Haugen bill is far superior to any plan of control measures in the foreign lands, for in the McNary-Haugen bill no monopoly is contemplated; neither is the Federal Government the instrument through which the control measures are put into operation.

I am submitting this "Summary of control measures in foreign countries" not to prove that we are following a precedent established in foreign lands but to show that agriculture all over the world is by various governments being aided sometimes in ways which are far from the desires of the American farmer.

Trusting this information can be of use to you, I am

Very respectfully,

AMERICAN FARM BUREAU FEDERATION,
CHESTER H. GRAY,
Washington Representative.

SUMMARY OF CONTROL MEASURES IN FOREIGN COUNTRIES

ALBANIA

Government monopolies are maintained in respect of matches, salt, cigarette paper and tubes, and playing cards.

ALGERIA

The silk producers have the help of the government in nearly every phase of the industry.

ARGENTINA

Cattle and Meat Price Fixing Law (1923)

President is given authority (1) to fix periodically the minimum prices of beef and cattle intended for export but the price must not be lower than the mean calculated cost, and (2), to fix periodically in the capital and the national territories, the maximum selling prices to the public of meat offered for consumption.

A committee of six is set up to propose to the President the minimum and maximum prices, to secure data as to the cost of cattle and meat as well as the selling prices in the retail markets, and to advise the President.

This committee is composed of one member appointed by the Federation of Rural Societies, and appointed by the Argentine Rural Society, one appointed by the Liga Agraria, one appointed by the domestic "frigorifico" establishments, one appointed by the President, and one appointed by the municipal intendent of the capital.

This law is to be operative for five years, from date of enactment.

Governmental aid in the British Dominions

The committee on stabilization appointed by the Ministry of Agriculture of Great Britain to look into this whole problem, after making a survey of conditions throughout the British Empire, made the following comment in its report concerning the activities of government in assisting the cooperative movement:

"We believe it to be the case that in each of the Dominions State action has been taken with the object of promoting cooperative or other forms of centralized trading. This action has been either legislative or financial, or both, and has been already applied to organizations concerned with a large variety of agricultural commodities."

The committee in its report made these significant conclusions:

"We believe that the time has come when it is a matter of almost vital concern to British farmers to recognize the importance of these overseas developments, both as an example of up-to-date methods of agricultural marketing and in their effect on the competitive power of imported produce in British markets" (pp. 63-64).

CANADIAN WHEAT POOLS

The cooperative marketing of wheat has developed perhaps more rapidly and more successfully than in any other country in the world. Following the successful operation of provincial pools, three of these united in one organization, known as the Canadian Cooperative Wheat Producers (Ltd.), which operated for the first time with respect to the 1924-25 crop. This organization serves as a central selling agency. It was able during the first year of its activities to secure an agreement from eight chartered Canadian banks to provide the organization with credits amounting to \$25,000,000 with which to finance its operations.

Government aid has played an important part in the development of the cooperative marketing of wheat in Canada. The Saskatchewan Cooperative Elevator Co. was organized with the help of the Government to enable producers to protect themselves from the growing monopolistic tendency of the elevator companies. The farmers paid in cash 15 per cent of the capital stock and the provincial government advanced the remaining 85 per cent, taking as security a first mortgage on the property of the company and the uncalled share capital of the individual members. The State was to be repaid on an amortized basis of 20 years; the interest rate was not to exceed the cost of the money to the State.

"The scheme proved a success," is the comment made by the committee of stabilization appointed by the Great Britain Ministry of Agriculture in its report of 1925 (?).

"Undoubtedly the fact that the company has been in the grain business has had the effect of stabilizing the price of wheat in Saskatchewan," is the comment made in the Survey of Agricultural Cooperation in the Empire, issued by the Horace Plunkett Foundation.

Movements similar to this were subsequently developed in the other wheat-growing Provinces of Canada. In Alberta the Alberta Cooperative Elevator Co. was set up in 1913, and this association received an advance from the Government of \$1,153,585. This organization was united with the Grain Growers Co., of Winnipeg, four years later to form the United Grain Growers (Ltd.). In recent years the movement toward centralized marketing has still further developed. Cooperative selling organizations were established in Saskatchewan, Manitoba, and Alberta, and these were finally united in a central selling agency known as the Canadian Cooperative Wheat Producers (Ltd.). In the year 1925-26, 212,200,000 bushels of grain were handled through a central selling agency in the following amounts:

	Bushels
Wheat	187,500,000
Oats	10,800,000
Barley	10,800,000
Flax	1,500,000
Rye	1,600,000

AUSTRALIA

THE PATERSON PLAN TO STABILIZE BUTTER INDUSTRY

The farmers buy their supplies in a protected market and sell the bulk of their dairy products in a world market in competition with the world. Prices for Australian butter are said to be based on the London price, less the freight, insurance, commissions, and exchange incident to shipping butter from Australia to London for sale. If the domestic price is determined by the London price, then increases in any of these expense items reduces the price secured for the butter sold in domestic market, even though no exchange, etc., are actually paid on it. In other words, the butter sold in domestic markets is forced to pay these charges which are paid on exported butter, because the domestic price is the same as the London price and determined by the London price. The London price is about 3d. per pound less than the world price due to these charges.

In order to secure a better domestic price it is planned to collect a fee on all of the butter and cheese produced in the Commonwealth, which will be sufficient in amount to pay a bounty on exported butter and cheese amounting to 3d. per pound on butter and 1½d. per pound on cheese. It is claimed that this will raise the London price by the amount of the bounty and that this will result in raising the domestic price an equal amount per pound, because domestic prices are determined by the London prices. The amount of the fee would necessarily have to be varied with the ratio of the amount exported to the amount sold in domestic markets.

The plan is operated through an Australian stabilization committee with an advisory committee in each State.

The average annual butter production in Australia in the period 1914-1924 was about 220,500,000 pounds, of which about 80,500,000 is exported and about 140,000,000 is consumed locally. It is estimated that a fee of 1d. per pound on all the butter produced would be necessary to pay a bounty of 3d. on exported butter, which would total about £1,000,000. If the operation of the plan results in raising domestic prices to the extent of the bounty on exports, or in other words raising domestic prices 3d. when the export bounty is 3d., then the net gain to the producers would be a little less than 2d. per pound, or a total of £1,750,000. It is calculated that the amount of the fee necessary to be raised would vary from three-fourths pence per pound in a year when the exportable surplus is small to 1½d. per pound when the exportable surplus is exceptionally large.

Or to put the estimates in terms of American money, it is claimed that the collection of a fee of 2 cents per pound on all butter produced would provide a fund with which to pay a bonus of 6 cents per pound on exported butter and that this in turn would result in raising the price of domestic sales by the amount of the bonus, or 6 cents, with a net gain to the producers of 4 cents per pound.

AUSTRALIAN WHEAT POOLS COMPULSORY POOLS

Compulsory pooling of wheat was entered into by the Government of Australia and the States of New South Wales, Victoria, South Australia, and Western Australia to handle the crop of 1915-16 and each subsequent year until 1920-21.

The pools were under the direction of an Australian wheat board, consisting of representatives of the Australian Commonwealth and the respective States. This board was assisted by an advisory board made up of well-known wheat shippers. Operations in each State were controlled by a local board. Overseas sales were made through a London agency known as the London wheat committee, which was composed of the high commissioner and the agents-general of the state concerned,

acting in conjunction with the London representatives of the wheat shippers. Most of the crop was sold to the United Kingdom through the port of London.

Agents of the various State governments received the wheat on behalf of their respective boards and issued storage certificates showing the quality and quantity of the wheat delivered. Through arrangements of the Government with the Australian banks, advances were made to the growers upon delivery to the appointed agents of the Government. The proceeds of the sales, after necessary deduction for expenses and advances had been made, were prorated back to the growers.

VOLUNTARY POOLS

In 1922 compulsory pooling was discontinued and the plan went ahead on a voluntary basis, with some changes in its administration. Since that time three pools have been maintained, one in each of the following States: South Australia, New South Wales, and Western Australia.

There is a wheat board for each pool which is analogous to the former Australian Wheat Board and which arranges for the purchase, collection, storage, financing, and marketing of the grain.

The board appoints agents to purchase grain from the growers and make advances on behalf of the board. These agents who are allocated to certain districts and who are usually firms already engaged in the grain trade, receive grain for the board and ship it to the ports as directed by the board. As most of the wheat is sold at London, the board arranges the sales in London through an Australian Wheat Pools Agency in that city. This agency consists of two firms which receive and market the exported wheat of the pools (except that from Victoria, which is sold independently). The proceeds after payment of advances and necessary charges are prorated back to growers.

MEAT INDUSTRY ENCOURAGEMENT ACT

AUSTRALIA

Sets up council composed of one representative of commonwealth, one representative of each state whose parliament has passed legislation for the encouragement and improvement of the meat industry and for representation on the council, 16 representatives of the meat producers, and 7 representatives of the Australian meat establishments.

This council is authorized:

- (1) To make recommendations to the minister as to the administration of any act relating to the export or interstate trade in meat and meat produce.
- (2) To determine and declare rates of assessments to be levied under state laws on cattle and sheep owners.
- (3) To advise the ministry on any matters for the encouragement and improvement of the meat industry.

AUSTRALIA CATTLE EXPORT BOUNTY

The cattle export bounty act provides for the payment of a bounty to cattle growers at the rate of 10s. per head on exports from the Commonwealth on or after July 1, 1924, and on livestock for slaughter on or before June 30, 1925.

AUSTRALIA

DRIED FRUITS CONTROL BOARD

(Dried fruits export control act of 1924)

A board is established to control the export and marketing of Australian sultanas, lemons, and currants.

The board is composed of seven members: One member appointed by the Commonwealth government, two members with commercial experience appointed by the Governor General, three members elected by the growers in the States of New South Wales, Victoria, and South Australia, and one member elected by the growers of the State of Western Australia.

The board is to maintain a London agency to advise the board as to current prices of dried fruits in London and elsewhere and to act as the agent of the board.

Penalties are provided for violation of any order issued by the board under this act in regard to exports.

A dried fruit export fund is to be raised through a charge not exceeding one-eighth of a penny per pound on these dried fruits exported from Australia.

DAIRY INDUSTRY CONTROL

(Dairy produce control act of 1924)

A dairy produce control board is set up which is to be composed of one member appointed as the representative of the Commonwealth government; two members appointed by the Governor General as representatives of the exporters of dairy produce; two members from each of the States of Queensland, New South Wales, and Victoria, and one representative each from the States of Tasmania, South Australia, and Western Australia, who are elected by the boards of directors of cooperative butter and cheese factories in these States; and two representatives elected by the boards of directors of proprietary butter and cheese factories.

The board maintains a London agency to act as its agent and to advise it in regard to current prices for dairy produce.

Penalties are provided for violations of orders of the board under this act in reference to the export of dairy produce.

A dairy produce export fund is to be provided by collection of a charge not exceeding one-eighth of a penny per pound on butter exported and one-sixteenth of a penny per pound on cheese exported.

NEW ZEALAND MEAT PRODUCERS BOARD

Following a period of low prices for lambs in 1921 the Government created the New Zealand Meat Producers Board for the purpose of controlling the export of meat from New Zealand. The board consists of five members, elected by the meat producers, two members appointed by the Government, and one member appointed to represent the stock and station agents.

The board was given full power to carry on export trade and to take over refrigerating works.

Thus far, however, the board has not used the full powers given to it, but has confined its activities to supervising and regulating the system of grading and marketing and to regulation of the shipments for the purpose of reducing costs and promoting an even flow of supplies to the London market.

Most of the meat is sold in the London market. The board operated on the theory that if it could control the movement of the supply to that market it could stabilize the price so as to prevent undue depression by market "gluts."

In the second annual report of the board the following statement is made concerning this problem:

"It is well known that in the past our meat was shipped in a very haphazard manner and the market was often glutted, with the consequent result of big fluctuations. Fluctuations are of no value to farmers. What they want is a steady, stabilized market.

"The regulation of shipments, besides being in the direction of stabilizing prices, also tends to prevent big accumulations of meat getting into the hands of large holders. A glutted market with a limited demand enables speculators to operate and take full advantage of the position."

The board in this report described how it had pursued the policy of regulating the flow of shipments to market so that no more would be moved to market than the position justified and so that sufficient supplies would go forward to meet the demand.

"The regulation of shipments," stated the report, "besides being an advantage to the home trade and a gain to the Dominion, is also of immense value to the shipping companies, who are advised by the board at regular intervals ahead as to the amount of tonnage required for each month. This places the shipping companies in the position to work their vessels to the most economical advantage."

The committee on stabilization, appointed by the Ministry of Agriculture of Great Britain, in its report made the following comment on the various examples of movements toward centralized marketing in Australia:

"Sometimes these have been developed with State assistance, sometimes without; usually they have involved intermediate storage in warehouses or cold stores, and, as in America, arrangements with the banks to finance these operations. But any examination of its recent development leaves little room for doubt that the movement in Australia has behind it a clear grasp of the economic object it is desired to attain. A prominent member of one of the central marketing organizations was asked by us as to what he considered to be the real motive behind these developments in Australia. He replied: 'Undoubtedly, the object is to stabilize prices.'"

QUEENSLAND

In Queensland a number of measures have been enacted for the promotion and aid of agriculture. The primary producers organization act of 1922 set up administrative machinery for the purpose of assisting producers in solving their problems and to bring about stabilization of prices so as to insure a fair remuneration to the producers.

The primary products pools act of 1922 provides for the establishment of commodity boards to handle farm crops through a compulsory pooling arrangement, provided the growers are in favor of such arrangement. The commodity board would have authority under certain conditions to levy a fee on the commodity for the payment of administrative expenses, losses, etc.

(Detailed summaries of these two measures are given hereafter.)

AMENDMENT TO PRIMARY PRODUCTS POOLS ACT

When operations with respect to a commodity are sought by means of an order in council, such order may provide for the divesting of commodity from growers and vesting of it in the board. When a board has been constituted and a petition signed by at least 50 growers is received asking the board to acquire the commodity, the board may do so.

In a referendum on the question of establishing a compulsory pool, the affirmative vote necessary is reduced from 75 per cent to two-thirds.

Whenever the board undertakes to market a commodity without the State, a representative appointed by the minister is to be placed on the commodity board.

The council of agriculture is authorized to issue a precept on a commodity board and the board in turn can then make a levy on the commodity in such amount as the board may determine with the approval of the minister.

The funds raised through such a levy are to be used for—

- (1) Payment of administrative expenses.
- (2) Payment to council of agriculture the amount of the precept.
- (3) Establishment and maintenance of insurance fund (hall, fire, flood, and other casualties); but levies for this purpose require poll of growers as a condition.

SUMMARY

THE PRIMARY PRODUCERS' ORGANIZATION ACT OF 1922 (QUEENSLAND)

Defines primary producers as persons engaged in the business of agriculture but not including agricultural laborers.

QUEENSLAND PRODUCERS' ASSOCIATION

Establishes an organization of primary producers known as "The Queensland Producers' Association" and composed of a council of agriculture, district councils of agriculture, and local producers' associations.

ORGANIZATION OF COUNCIL OF AGRICULTURE

Council is composed of not more than 25 members, not less than 5, and not more than one-fourth of the total number must be appointed by the governor in council as the representatives of the government. The minister is ex officio a member and the president of the council. The remaining members, of which there must be at least 15, must be elected by the district councils, each district to elect one member.

Upon recommendation of the council, the governor in council may appoint an official known as the director of the Queensland Producers' Association and who is to be subject to the control of the council.

DUTIES AND POWERS OF COUNCIL

Among the duties of the council are the following:

- (1) "Developing rural industries."
- (2) Effecting the stabilization of prices of primary produce for the purpose of insuring to the primary producer a fair remuneration for his labor.
- (3) Securing additional markets.
- (4) Promotion by research and otherwise the utilization of rural products in manufactures.
- (5) Securing improved means of storing, hauling, and transport.
- (6) Promoting a general policy of testing, standardizing, and grading.
- (7) Improving of conditions of rural life, including the extension of rural education.
- (8) Research into all rural problems; study of markets and better marketing methods; elimination of waste; advisory assistance to producers; and cooperation with the Department of Agriculture and the association.
- (9) Dealing with matters in relation to agriculture and production of primary products which may be referred to the council by the minister.
- (10) Power to buy, sell, lease, hold, or exchange land, goods, securities, and any other property whatsoever.

DISTRICT COUNCILS

The governor in council is authorized to divide the country into not less than 15 areas or districts, upon recommendation of the council.

For each district there is set up a district council, the members of which are elected by the members of the local producers' associations of such district which are authorized in this act.

The duties of the district council are—

- (1) To secure the cooperation of the primary producers who are members of the local associations in that district.
- (2) To advise and assist the council in plans in regard to production, marketing, grading, and standardization of primary produce.
- (3) To advise and assist the council in cooperative undertakings such as the cooperative purchase of supplies.
- (4) Such other duties as the council may determine.

The council can extend monetary assistance to the district councils to assist in carrying out their projects and the council may intervene and control the conduct of the business of a district council, for good cause.

A district council has the power also to buy, sell, exchange, lease, or hold goods, land, securities, or any property whatsoever.

LOCAL PRODUCERS' ASSOCIATIONS

Upon receipt of an application signed by at least 15 primary producers in the same district, the council is required to register this group as a local producers' association and assign it to one of the districts established under this act.

The council can cancel the registration of any such association when satisfied that good cause exists for so doing.

The duties of a local producers' association are to ascertain the local needs of producers of that vicinity and formulate plans for meeting these needs; to represent the interests of its members before the district council in regard to matters of more than local concern; to cooperate with and assist the district council in the discharge of its duties and in its efforts to aid the producers; and to aid in the correlation of the various local associations and societies in that district.

ADVISORY BOARDS

Authority is given to the governor in council, on recommendation of the council, to appoint advisory boards to assist the council in its general business or in respect to any particular problem.

COLLECTION OF FEE

The council may collect a fee from primary producers to be deposited to a fund known as "the Queensland Producers' Association fund," and which shall be administered by the council to pay all the expenses incurred by the council in executing this act and such expenses of a district council as are approved by the council. The amount of such fee must not exceed that agreed upon by the council and the governor in council.

The regulations subsequently issued provide for the collection of the fee by purchasers of primary products from producers or those selling such products for the producer by means of stamps affixed to account sales, credit notes, checks, or other documents giving evidence of the sale of primary products. These stamps are printed and sold by the Government.

Audit of the fund by the officers of the auditor general is provided for.

GOVERNMENT APPROPRIATION

For a period of five years the Government agrees to provide in any year an amount of money for this fund which is equal in amount to the fees and fines paid into the fund during the preceding year.

ISSUANCE OF REGULATIONS

The governor in council is authorized to issue such regulations as may be necessary to carry out this act and to provide for penalties of violation of them. The legislative assembly may annul any of such regulations, however.

SUMMARY

PRIMARY PRODUCTS POOLS ACT OF 1922—QUEENSLAND

Commodity boards

Provides for setting up of commodity boards to handle crop through a compulsory pooling plan.

Declaration of operation period

Upon recommendation of the council of agriculture, or by a representative number of producers of a commodity, or by an organization representing such producers, the governor in council may, by order in council, declare the provisions of the act operative in respect of that commodity and may constitute a commodity board for that commodity.

Referendum

Notice of such order must be published, and if a petition is received within 30 days after such publication from 50 or more growers of that commodity asking that a referendum be taken before the order goes into effect, the minister must take a vote of the growers of the commodity in the district to which the order is applicable, and if less than three-fourths of votes polled are in favor of such order, then such order shall not be made.

The order may be rescinded or amended and may be made applicable only to a certain locality, or it may or may not be of limited duration.

Selection of board

The board is to be appointed by the minister from elected representatives of the growers of the commodity, and shall appoint one of them as chairman. Rulings issued under this act provide that nominations submitted for such appointments must be signed by at least 10 persons who are growers of said commodity. If the number of nominations exceeds the number to be elected, the minister forwards to each grower a ballot containing the names of the candidates.

Compulsory pooling

All of the commodity that is produced must be delivered to the board or its agents for pooling. The maximum penalty for violation of this provision is £500.

In the discretion of the board, exceptions may be made in the case of small growers, sales of the commodity direct to local consumers or retail vendors, portions needed by grower for his own use for seed, feed, or food, and such other sales and purchases as may be prescribed.

Deliveries of commodity to board must be accompanied by an official certificate showing the merchantable quality of the consignment and issued by a State grading officer. Consignments which do not conform to the prescribed standards must be refused by the board.

The board issues to the grower a certificate as soon as practicable after the receipt of the commodity. Advances to the grower for such

commodity may be made by the board at such times, in such manner, and under such terms as it deems fit, but the making of advances is not compulsory.

Operations of Board

The board receives and sells the entire commercial crop through the pooling arrangement.

Out of the net proceeds of the sale of the commodity of a certain grade the board makes proportionate payments to each grower in proportion to the amount of such commodity of the same grade delivered by him to the board.

The board may arrange for credit with banks, or the Commonwealth government, or with any other institution approved by the governor in council.

The board is required to provide as far as practicable for the consumptive needs in Queensland.

The board may make such arrangements as it deems necessary with regard to sales of the commodity for export.

Commodities Included in Act

Operations may be authorized in respect of "any grain, cereal, fruit, vegetable, or other product of the soil in Queensland, or any dairy produce, or any article of commerce prepared other than by any process of manufacture from the produce of agricultural or other rural occupations in Queensland."

RESULTS OF CONTROLLED MARKETING IN QUEENSLAND

Queensland egg board

At a conference of egg producers in Brisbane, November 28, 1922, an egg pool was proposed. A referendum taken on the question resulted in a sufficient number of affirmative votes to establish the pool.

The results attained under the operations of the pool are described in the annual report of the director of the council of agriculture (1925).

Fruit-marketing organizations

Through legislation enacted in 1923 cooperative machinery was set up for marketing fruit. A threefold organization was provided for:

The committee of direction.

Sectional group committees organized on the basis of different types of fruit.

And local associations.

As a result of its operations the committee claims to have benefited the pineapple industry between 50,000 and 60,000 pounds sterling. It claims to have secured a better price for the crop sent to the canners than under a system of individual marketing.

When the committee began its operations on the summer crop, 1924, conditions facing the pineapple growers were unfavorable. Heavy losses were suffered by the growers on account of low prices on the winter crops and the loss of fruit rotting on plantations.

The first action of the committee was to secure a better price from the canners and succeeded in getting 3s. 6d. per case, although the canners had previously paid only 2s. 6d. per case. The canning price became the basis of the fresh fruit sales. A minimum price of 4s. per case was fixed on the Brisbane market and agents were notified to communicate with the board if unable to sell at this price. By effecting clearance to factories on several occasions, this price was maintained.

Control over the flow of the commodity to market was also exercised in order to prevent gluts.

In respect of the winter crop of 1924, the committee negotiated with the canners and secured a price of 4s. per case, an increase of 6d. per case. Supplies to the markets were allocated so as to prevent depression of prices. The result was that despite the production of a much larger crop—a record winter crop for Queensland—than had been anticipated, no losses were sustained in these operations and the entire crop was disposed of at 4s. per case as against the previous winter crop which was only partially absorbed at 2s. 6d.

It is claimed that a comparison of market wires, 1923, with average prices and market wires, 1924, shows that the market price was raised approximately 3s. per case. In addition the entire crop was disposed of, whereas without orderly marketing much of the crop might have rotted on the hands of the growers due to glutted market conditions such as occurred during the season preceding the commencement of operations by the committee.

In 1924 the committee handled the crop without collecting a fee from the industry; but a fee was collected on the 1925 crop on southern consignments and on factory supplies.

BANANA MARKETING

Operations of the committee in the marketing of bananas is also claimed to have brought large benefits to the producers. Despite a large increase in production, choice bananas in Melbourne brought as high as 32s. per case in 1924, as compared with 17s. per case in 1921. It is claimed that without the control exercised by the committee the crop in 1925 would only have brought 14s. to 17s. per case.

It is also claimed that in open competition on the local market the committee regularly obtained better prices than the agents.

The plan of operations pursued by the committee was briefly as follows:

The number of agents on the southern markets was reduced to those handling reasonable quantities—five in Sydney, eight in Melbourne, and five in Adelaide. These were organized into an agents' committee under the chairmanship of the growers' representative on the market concerned. Meetings were held weekly by this committee to discuss ways and means of improving the industry. The growers' objective in these meetings was to maintain the best possible price consistent with supplies. To promote competition among the agents to secure better prices the market results were published weekly, showing the highest, lowest, and average price and the quantities obtained by each agent. The result of this was, it is claimed, to spur the agents to a "constant struggle to head the list or secure a 'place.'" It is said that "the effect of such an arrangement has been that the market has not been at the mercy of a weak holder" and that "competition is now keener amongst the agents than previously."

In open competition with commission agents on the Brisbane market in 1924 the committee regularly obtained higher prices for the commission agents. Furthermore, it claims that its commission rate was 5 per cent as against $7\frac{1}{2}$ per cent for the agents.

STRAWBERRIES

Due to a record winter crop of strawberries in 1924-25, the factories became oversupplied with berries for jam toward the end of the season. To relieve this congestion the committee diverted jam berries direct to the public and received more orders than it could supply, which resulted in averting a threatened price depression, it is claimed.

Due to the heavy pack of strawberry jam, however, there was a large carry over, with the result that there was an excess supply in the market, which deterred manufacturers from making purchases of the new crop. The committee was asked to assume control of the crop by the growers. The committee was able to secure a price of 5d. per pound for jam berries, which it is claimed is $1\frac{1}{2}$ d. to 1d. per pound more than would have been obtained by individual effort.

CITRUS FRUIT

In 1924 the central Queensland citrus growers were dissatisfied with market conditions due to glutting of local markets, and they appealed to the committee for assistance. After investigating the situation the committee recommended the export of citrus to the south under certain conditions. A trial of this plan has served to bring gratifying results and good prices, it is claimed.

BRAZIL AND HER COFFEE SURPLUS

Brazil was perhaps the first country to adopt the so-called valorization plan for dealing with crop surpluses. This plan has been evolved during the past 25 years as a result of the experiences of the Brazilian Government in rendering assistance to the coffee industry.

As early as 1902 this Government began a definite program of assistance to the coffee industry. The first efforts were limited to the program of curtailment of production, the Government enacting a law in 1902 which penalized the planting of new acreage. The valorization plan had its real beginning in 1906, when the Government raised a fund of 3,000,000 pounds sterling with which to purchase and store coffee and dispose of it in such a manner as to prevent depression of prices. Since that time the operations of the Government under this plan have been broadened in scope to include other features, so that there are now several important phases of governmental aid being rendered to the industry.

THE PLAN

The valorization plan of Brazil as it has been developed consists of the following principal features: (1) Restriction of production by the Government; (2) restriction and control by the Government of the amount of coffee that is moved per day to the ports of export; (3) purchase, storage, and sale of the coffee surplus through a Government agency financed by the Government; (4) extension of loans and credit to private operators on coffee deposited as security; (5) publicity designed to increase the demand for coffee and to discourage the use of substitutes.

ECONOMIC BASIS OF PLAN

The price level of the commodity is stimulated by curtailment of the supply and by the control of the movement of the supply to market and also by the Government purchase and sale of the commodity.

Control over the industry is secured through a "Coffee Defense Institute," created in 1921-22. This commission consists of six members, three of whom are state officials and three of whom are selected by the state from agricultural and commercial interests. Of the last-named group two members represent producers' associations and one member represents the trade interests in Santos. The President of the state has the power over any actions of the institute. Dr. Julius Klein, Chief of the Bureau of Foreign and Domestic Commerce of the United States Department of Commerce, stated in testimony before the

House Committee on Interstate and Foreign Commerce (January 6, 1926) that the institute has had "a very effectual, complete control over the whole situation."

Protection against excessive overproduction is afforded by compulsory acreage limitation. Surpluses which are likely to depress the price are handled through a Government agency either directly by purchase, storage, and sale, or indirectly through control of the movement of the supply to market, or both. Government warehouses are provided in the interior where large supplies can be stored and allowed to trickle out in small quantities which will not depress the price.

The control of the movement of the supply to market is one of the most important phases of the plan as it has been developed. The export of coffee is limited to two ports, Santos and Rio de Janeiro. Only a certain amount of coffee per day is allowed to move from the interior to these ports of export. The reserves are stored in large Government warehouses in the interior and are released gradually to the export trade so as to prevent depression of prices which might result from glutted markets. Before this plan was devised, from 80 to 90 per cent of the crop reached these two ports within six months after the commencement of picking. After the adoption of this plan, in 1922 and 1923, only 28,000 bags every day were allowed to reach the port of Santos and only 11,000 bags per day were allowed to reach Rio de Janeiro. Credit is also furnished to private operators in Brazil in order to enable them to retain their coffee holdings. Coffee stored in Government warehouses is accepted as security for these loans, and the terms and interest rates are established by the council.

PAST OPERATIONS UNDER THIS PLAN

In 1906 the Government raised a fund of £3,000,000 with which to purchase and store coffee. These supplies were disposed of in 1911, in 1912, and in 1913 at a considerable profit, according to a statement by Doctor Klein previously referred to.

In 1917, following a year of overproduction, in which the whole crop was over 22,000,000 bags as compared with the normal average of 17,000,000 bags, the Government resorted to the valorization plan. The large surplus, coupled with the restrictions on importations to belligerent countries which were in effect at that time, had resulted in depressing the prices in New York down to a level of 6 to 10 cents per pound. The Government raised a fund of approximately \$75,000,000 with which it purchased a considerable amount of coffee, held it one year, and sold it in 1919 at a considerable profit.

In 1920 and 1921 an oversupply produced in both these years resulted in depressing the price in September, 1921, more than 60 per cent below the price in September, 1920, and prices on the New York market reached the low level of 5 cents per pound. Again the Government came to the rescue by supplying a loan of £9,000,000 to a Government agency for the purchase and withholding from the market of coffee. The stocks which were purchased were disposed of gradually within a year or two at a large profit, according to Doctor Klein.

From a financial standpoint these operations have been very profitable to the Government of Brazil, according to a statement of Doctor Klein, who declared before the House Committee on Interstate and Foreign Commerce January 6, 1926: "From a strictly business point of view the coffee operation has been highly profitable to the Brazilian governmental authorities."

As to the effect on prices, there was an increase in price following each of these operations under the valorization plan. Between the periods of operation there were declines in the price.

SIMILARITIES BETWEEN COFFEE MARKETING AND COTTON MARKETING

Brazil produces about two-thirds of the total world supply of coffee. Of the 18,000,000 bags produced, about 12,000,000 bags are produced in Brazil. Of the total world production of cotton, amounting to about 24,000,000 bales, about 14,000,000 bales are produced in the United States. Both countries export the major portion of the crop. In the case of both cotton and coffee the commodity can be stored for long periods of time without appreciable deterioration.

VICTORIA

GOVERNMENT AID TO WHEAT EXPORTS

Under the Government guarantee act, 1925, the treasurer of Victoria may guarantee advance granted to the Victorian Wheat Growers' Corporation (Ltd.) by any bank for marketing wheat received during the season 1925-26 to 1927-28, inclusive. The total liability is limited to 75 per cent of the overseas value of wheat delivered to the corporation after deducting freight, insurance, and other expenses. If the Commonwealth Government of Australia makes an advance, the liability of the Victorian Government is reduced accordingly.

CEYLON

Government control of the rubber industry is maintained through the agency of a rubber controller and an advisory board. Control of production is aimed at by assessing to each estate the "standard production" for that estate. Control of exports is also provided for

with a limitation of the monthly exports to an "exportable maximum" which is equivalent to 60 per cent of one-twelfth of the standard production. Licenses are issued for exports at the minimum rate of duty, and no rubber may be exported without such license. The Government in executive council may increase or decrease the exportable maximum on the basis of the price of "smoked sheet" in the London market for three consecutive months. These measures are provided for in the rubber restriction ordinances No. 24 of 1922.

COLOMBIA

A law was enacted in 1923 establishing a coffee valorization plan which provided for the storing and exporting of coffee with the purpose of maintaining favorable prices for coffee in foreign markets.

Emeralds and salt are government monopolies.

COSTA RICA

A government monopoly on matches and cigarette paper was instituted by a law enacted December 14, 1918.

ECUADOR

A government monopoly of alcohol "aguardiente" (native rum), tobacco, explosives, cigarette paper, and matches was instituted by the President in 1922 under the authority granted by Congress in 1920. Native capitalists were given the sole right to deal in these commodities throughout the country. Privileges were also given to limit the production of sugar-cane. A decree was also promulgated January 10, 1922, requiring exporters to pay to the administrator of customs drafts for 70 per cent of the estimated value of goods exported from the country. Salt is also a government monopoly.

ESTONIA

The sale and export of flax, tow, and linseed were constituted State monopolies in 1920.

FINLAND

According to commerce reports of the United States Bureau of Foreign and Domestic Commerce the Finnish Government was preparing early in 1926 to promote the export products from Finland by granting credits on products exported to Estonia, Latvia, and Russia. A total grant of 10,000,000 Finnish marks for this purpose was contemplated. It was urged that the Government guarantee up to a certain maximum the export credits of domestic shipments and to protect this guarantee by having recourse in case of default to bank guarantees furnished by the foreign consignees.

FRANCE

The Government maintains a monopoly on tobacco. This monopoly was extended in 1923 to the manufacture and sale of tobacco in Alsace-Lorraine.

Various Government monopolies are also maintained among French colonies. While there are no monopolies in Madagascar, Algeria, and French Equatorial Africa, monopolies are maintained in Tunis on tobacco, gun powder, salt, matches, and playing cards; in Indo-China on alcohol, salt, and opium; in Morocco, on tobacco. The Government control in the exploitation and export of phosphates in Morocco was also established in 1920.

EGYPT'S EFFORTS TO STEADY COTTON MARKET TRACED

A statement issued by the United States Department of Agriculture March 22, describes the Government aid extended to the Egyptian cotton industry as follows:

"The efforts of the Government in Egypt to keep up the price of cotton have taken two forms: The purchase and holding of raw cotton and the restriction of acreage planted. The effectiveness of Government buying has varied in proportion to the amount bought.

"During the World War the cotton market in Egypt was in chaotic condition; for certain periods purchases practically ceased. The Government found it desirable to intervene to protect the industry and save the cotton planters from bankruptcy. In 1914 cotton was purchased in small lots direct from the producers. In 1917 the marketing of cotton seed was taken over entirely by a Government commission and from August 1, 1918, to July 31, 1919, the same was done for cotton fiber. The cotton market was closed and all cotton entering Alexandria was purchased by approved cotton buyers for the official cotton control commission at a fixed price of 42 talaris per cantar for F. G. F. Sakellaridis and held for sale at 48 talaris.

WIDE FLUCTUATION IN PRICE

"The price fixed for the 1918-19 season was slightly above that prevailing on the Alexandria exchange in July, 1918, but by the following summer the world demand had so far improved as a result of the signing of the armistice that the Government price was several hundred points below that which would have been obtained in a free market. The great postwar wave of extravagant buying had already begun, and Egyptian cotton was carried on its crest. From August, 1919, to January, 1920, the price of F. G. F. Sakellaridis at Alexandria advanced over 200 per cent. The fall was almost as rapid as the rise; by November, 1920, the price had returned to the level of August, 1919.

The bottom was reached in the latter part of February, 1921, when the price for F. G. F. Sakellaridis, which had reached \$1.31 per pound just a year before, stood in the neighborhood of 16 cents.

"The boom of the 1919-20 season was very largely the result of the American demand for Egyptian cotton for use in the manufacture of automobile tires, and the crisis in America in 1920 was one of the chief causes of the collapse of Egyptian cotton. Exports of cotton from Egypt to the United States, which amounted to something over 96,000 bales of 478 pounds net in the 1918-19 season, increased to over 445,000 bales in 1919-20, over a third of the total export, and decreased to 78,000 bales in 1920-21, less than a tenth of Egyptian exports for that season.

GOVERNMENT SETS PRICE

"On March 4, 1921, the Government definitely decided, with the consent and support of the British authorities, to make small purchases of cotton direct from the planters. Unginned cotton was to be bought in the Provinces in lots not exceeding 9,900 pounds (about 20 American bales) at a weekly fixed price somewhat above the regular market price, 18.6 cents per pound for the week of March 4 when actual spot prices stood at 17.8 cents. Though official prices were set this early, no actual purchases were made until March 20. On April 5 the Government entered the cotton market at Alexandria and bought ginned cotton in bulk. All purchases ceased after May 31. In all, the Government purchased over 26,000 bales of 478 pounds, paying at an average slightly over 18.5 cents per pound for the small local purchases and from 25.5 cents to 26.8 cents per pound for purchases in the Alexandria Exchange. On March 4, when the Government made its decision, the price of F. G. F. Sakellaridis on the Alexandria Exchange stood at 17.8 cents per pound. One week later it advanced to 20.3 cents and on March 25 it reached 26.5 cents. This was the highest point reached in Government purchasing in 1921; in the latter part of May it dropped below 23 cents and on June 3 after all purchases had ceased, stood at 21.5 cents per pound.

"That this rise in price, though temporary, was to a very large extent the result of Government purchases seems probable when we consider the fact that the premium of F. G. F. Sakellaridis over American Middling at Liverpool advanced from 78 per cent on March 4 to 115 per cent on April 1 and 122 per cent on April 29, declining, however, to 100 per cent on May 27, and to 90 per cent on June 3. As the greatest improvements in price came directly after the announcement of the Government's decision and again after the first actual purchases, it would seem that in this case evidence of intention had a greater actual influence than the withdrawal of supplies by purchase. Later in the season, when the price had again advanced as the result of other influences, the Government sold its stocks at a good profit.

"The Agriculture Syndicate of Egypt is one of the most powerful organizations in that country. In 1921 and later years it has been the most important factor in influencing the Government to take action for the protection of the cotton interests. In March, 1922, Egypt became an independent nation, and, as a result, it became more responsible to this syndicate. On March 24 the price of F. G. F. Sakellaridis at Alexandria stood at 32.6 cents per pound. By April 17 it had declined 1 cent and by the 21st, 2½ cents a pound. As a result of repeated importunities the Government again entered the market on April 24 and in the eight days following bought between four and five thousand 478-pound bales of Sakellaridis and other varieties, paying for the Sakellaridis from 31 to 32.8 cents per pound. An improvement in the price of American cotton stopped the decline in F. G. F. Sakellaridis and brought about a gradual rise to more satisfactory levels. This condition and the opposition of English public opinion in Egypt caused the Government to retire from the market. As in the previous year, the stocks were sold on a rising market and the Government realized a tidy profit.

PLANTERS DROP SAKELLARIDIS

"In June, 1923, the premium of F. G. F. Sakellaridis over American middling actually disappeared and the premium over Egyptian uppers was reduced to a very narrow margin. The result of this anomalous situation was that it was more profitable for the Egyptian planter to raise uppers than Sakellaridis as the former variety produces a considerably larger amount of fiber per unit of area. In view of this situation the Government decided on August 1, 1923, to reenter the market and purchase some 15,000 bales of Sakellaridis. Throughout the fall and winter purchases were made in dribbles, the total amount bought being estimated at from 6,700 to 9,400 bales of 478 pounds net. These stocks were liquidated during May and June, 1924, and apparently had a somewhat weakening influence upon the market. There are between 20 and 30 private firms in Alexandria, each of which annually ships more than 10,000 bales of cotton. The total exports of the 1923-24 season amounted to over 1,200,000 bales. One could hardly expect government purchases covering a period of nearly a year and amounting to less than 9,500 bales to

have much effect on a market handling one hundred and thirty times that amount during that year.

"The premium of Egyptian Sakellaridis over American middling at Liverpool increased rapidly as the result of the smaller planting of the former variety in 1924. It rose gradually to 93 per cent in November, 1924, and jumped to 122 per cent in December, reaching its high point of 162 per cent in March, 1925.

"In the latter part of August and the early part of September, 1924, there took place a rapid decline in the price of Egyptian cotton. From 47.5 cents per pound on August 22 the price dropped to 38.3 cents on September 19. On September 17 a parliamentary deputation proposed to the Government intervention in both the spot and futures markets to stabilize prices and help to maintain the margin over American cotton. Actual purchases by the Government, however, were strictly limited to spots and did not begin until September 20. Before that date operations had again begun to buy under the stimulus of favorable crop news from both America and Egypt, a steadier market in America, and the imminent intervention of the Egyptian Government. Actual purchases speeded up the improvement. This factor, plus an increased foreign demand and reports of large crop damage from the interior, created an exceedingly favorable situation.

REFUSES TO ENTER FUTURES MARKETS

"In the first part of July, 1923, the price of F. G. F. Sakellaridis at Alexandria again started downward. On July 1 it stood at 66.6 cents per pound; on October 1 it declined to 46.6 cents; and on October 29 to 39.4 cents. By the 1st of November the Government began actual buying, but the price continued downward. Despite repeated urgings the administration refused to enter the futures market and its purchases of spots were so small as to be comparatively ineffectual. On January 14 the Government made an official statement to the effect that the Council of Ministers, after due examination of the actual situation, have decided:

- "1. To increase purchases at Minet el Bassal up to Cantars 500,000.
- "2. To maintain a reasonable parity between the price of Egyptian and American cotton by fixing as buying basis for F. G. F. Sakellaridis a premium of 75 per cent over the value of American cotton." * * *

STABILIZATION OF CURRANT INDUSTRY GREECE

In 1905 the Government entered into an agreement with the Privileged Society in Athens by which this company was made the agent of the Government.

The purpose sought was stabilization of production and prices in the interest of both producer and the public.

The plan embodies—

- Warehouse and credit facilities.
- Guarantee of a market for goods produced.
- Orderly marketing.
- Control of exports.
- Control of quality of product.
- Collection of fee on exports.
- Advertising products.
- Disposition of surplus.

The company supplies warehouse facilities where growers may store their currants, borrow money at reasonable rate, and hold the crop for higher prices, and if they do not sell their crop previously, they are guaranteed a good price for it from the company at the close of the season.

The company is obligated to buy at fixed prices at certain periods of the year any amounts of currants offered to it as surplus—i. e., any amounts which the growers have been unable to sell abroad. A scale of prices is fixed for various grades of currants. Inferior raisins must be purchased at a fixed price by the company at any time during the year they may be offered to it for sale.

The company seeks to place on the domestic markets at certain fixed prices just the amounts which will be taken at these prices. It can not export or sell abroad. In a year of overproduction, the surplus is absorbed by the company and carried over to the years of lean production. In the years of lean production, the company is obligated to remove stock from its warehouses and place a sufficient amount on the market, if available, to keep local consumption in a normal condition.

Currants can not be transported by growers from one Province to another without the consent of the company.

A definite amount of money is set aside each year for advertising for the purpose of extending markets for currants. The company can refuse to accept for storage or to purchase currants which have not been properly cleaned and dried for export, or if spoiled or adulterated. Inspection of product and of the vineyards by agents of the company is authorized. The company may impose a tax of 7 drachmas per thousand Venetian pounds on all export currants, in order to finance these operations.

The company is required to collect for the Government land and export taxes on a graduated scale designed to promote a stabilized supply. The amount required of the company by the Government is 4,000,000 drachmas when the exports were not more than 250,000,000 nor less than 240,000,000 Venetian pounds. For each 1,000 pounds, more or less, than these limits an additional 18 drachmas must be paid. The growers pay the company in kind, except that in years of insufficient production they may be allowed by the company to pay in coin.

Profits realized through resale by the company of currants in years of lean production are to be divided as follows: The company keeps one-fifth for expenses and commission, and the remaining four-fifths is used for improvement of production. Whenever the company makes a profit of 500,000 drachmas or more, after paying 6 per cent interest on all its preferred stock, an additional tax of 500,000 drachmas to the Greek Government.

This plan was in operation for nearly 25 years and is said to have been generally satisfactory. In 1924 the National Bank of Greece was authorized by Government decree to take over the functions of the Privileged Society in connection with the export and valorization of the currant crop. The bank is allowed to sell large quantities of the crop in order to stabilize prices.

HUNGARY

Generally speaking, tobacco is a Government monopoly in Hungary, although a limited amount of private importation of tobacco is allowed.

INDIA

The Government restricts the amount of opium grown in India by means of a license system, and the entire production is purchased by the Government at prices fixed by it and later sold at auction.

IRISH FREE STATE

A beet-sugar subsidy act enacted in 1925 provides for the subsidizing of the beet-sugar industry by paying subsidies at prescribed rates on the manufacture of beet sugar in the Irish Free State during the 10-year period following October 1, 1926. Price stimulation is effectively sought by production which forbids the payment of any subsidy on beet sugar manufactured during the years 1926, 1927, and 1928 if the prices paid by manufacturers for the beets are less than the prices prescribed in this act.

ITALY

A Government monopoly of the tobacco industry has been instituted which provides for the supervision and control by the Government through special bureaus established in the Ministry of Finance, of the production, importation, and manufacture of tobacco. Very high import duties have been placed on imported manufactured tobacco for the protection of the Government monopoly.

JAPAN

The Government has promoted monopolies in silk, camphor, camphor oil, tobacco, and salt. Following a drop in price of raw silk in 1920, a silk syndicate, known as the Imperial Co., was formed to buy up silk with the purpose of maintaining a certain minimum price on silk for export. To finance the project the Government gave assistance in the form of loans at a low rate of interest. In the report on the commercial, industrial, and financial condition in Japan (1921) issued by the department of overseas trade of Great Britain, it is stated "Even the severest critics of the Government measure admit that it saved the trade from possible ruin."

The salt monopoly which was instituted in 1905 provides for the purchase and sale by the Government at arbitrary prices, which include a fixed amount for monopoly, profit, and expenses. No one is allowed to manufacture salt without a Government license. Imports from Vermosa and from foreign countries can only be made by the Government and the export of salt is encouraged by allowing anyone to export it and by the sale of salt by the Government at a specially reduced price when sold for export. The use of salt in industry, agriculture, mining, and fishery is encouraged also by selling it at a reduced price for these purposes.

Monopolies are maintained on tobacco and ginseng in Chosen.

In Taiwan, Government monopolies are maintained on camphor, opium, salt, tobacco, and alcoholic liquors. The Government is said to have profited considerably from the maintenance of these monopolies. During the period 1902 to 1924 subsidies were given to the sugar industry of Vermosa, totaling \$24,000,000.

LATVIA

A Government monopoly of flax is maintained by which a State agency pays fixed prices for flax. This monopoly was instituted in 1919. A law enacted in 1925 authorizes the payment of a Government-export bounty on all exports of sugar beets during the years 1924, 1925, and 1926, the amount of the bounty being fixed at 13 per cent of the import duty on refined sugar at the time of export of the sugar beets.

FEDERATED MALAY STATES

Government control of the production and export of rubber through Government agencies, which license the rubber producers and the exporters, and prescribe the standard production and the amount of export duty to be levied on all exports of rubber.

UNFEDERATED MALAY STATES

Government control of rubber and opium has been instituted in most of the States.

MEXICO

Government control of the sisal-hemp industry has been tried out a number of times.

MOROCCO

A tobacco monopoly has been formed in Morocco.

NORWAY

A temporary State monopoly of imported grain and flour is maintained.

PERU

Government monopolies of tobacco, matches, and phosphate fertilizer and alcohol are maintained.

POLAND

A State monopoly of tobacco was instituted in 1924, and a State monopoly of alcohol and salt in 1925.

PORTUGAL

A French company held an exclusive monopoly of importing, manufacturing, and selling tobacco in Portugal up until April, 1926, when its contract expired.

RUMANIA

Through a decree of the Minister of Industry and Commerce promulgated in 1922, the maximum prices for wheat, flour, and bread were provided, and provision was made for the payment of bounties to producers of wheat and rye. Subsequent changes in these maximum prices have been promulgated.

SPAIN

Through a decree issued in 1922, the Spanish tobacco monopoly was extended to the Spanish colonies in North Africa.

In 1923 a decree was issued by the Government of Spain seeking to regulate food prices by preventing producers, merchants, and middlemen from securing net profits in excess of the amount fixed by the central council of provisions.

The State cotton commissariat at a meeting at Madrid in 1926 is reported to have passed a resolution favoring the fixing of a minimum guarantee price for cotton the following season at 1.20 pesetas per kilogram and a payment of bounties to the growers out of the cotton sales of the current season.

Through a Government decree issued in 1924 State assistance was authorized to new industries whose output is less than the domestic demand and to the industries with an exportable surplus. Government assistance to agricultural industries may consist of concessions and privileges rather than loans or other economic assistance.

SWEDEN

Tobacco was brought under Government monopoly in 1915, and it is reported that during the period 1915-1920 the area in tobacco decreased about 100 hectares and that the value of the product meanwhile practically trebled.

SWITZERLAND

In order to encourage the production of wheat the Government extended in 1924 the guarantee prices for Swiss corn until 1926 and provided for the payment to the growers of a bounty in the form of a milling premium of 5 francs per 100 kilos of corn used by them in making their own bread. This was done with the object of discouraging imports of flour and encouraging the use of domestic corn.

Over 50,000,000 francs were appropriated to provide subventions to various industries, including milk production, cereal culture, stock raising, and potato growing.

Although the Government monopoly on butter has been abolished, Government monopolies on cereals and alcohol are still in effect.

TUNIS

A State monopoly on tobacco is maintained.

TURKEY

In 1926 a Government monopoly on sugar, including all kinds of glucose and raw and refined sugar, was established. The use of saccharine and its by-products in food is forbidden, and its import for medicinal purposes is under the control of the Government. Sugar imported by the Government monopoly is to be sold in Government stores at a price which includes the cost of the sugar, cost of importation and transportation, the consumption taxes, and the special monopoly dues; sugar for the domestic refineries is to be purchased by the Gov-

ernment at a price equal to that which would have to be paid for imported sugar.

In 1926 a state monopoly of the imports of petroleum and benzine was established whereby the selling price is to be based on the cost of the commodity plus the import duty, transportation and administration charges, consumption taxes, and monopoly dues.

UNION OF SOUTH AFRICA

A law enacted in 1925 provided for the establishment of a fruit export control board at Cape Town for the purpose of controlling the order of shipment and the export of fruit from the ports of the Union.

An act of 1922 provided for the regulation of the maximum prices of sugar.

The agricultural industries advancement act of 1925 authorized the making of levies on certain agricultural products under certain conditions for the purpose of promoting agriculture.

The diamond control act of 1925 authorized the establishment of a diamond control board for the purpose of controlling the sale and export of diamonds.

The payment of bounties on exports of slaughtered cattle and beef was authorized in an act passed in 1923.

URUGUAY

Uruguay has maintained as state monopolies the tobacco industry, sealing and fishing industries, insurance, port works, and electric and hydraulic plants although private firms have been given opportunities to participate in many of these industries.

YUCATAN

The Government maintains a monopoly in sisal hemp.

YUGOSLAVIA

Various monopolies have been instituted at various times in different parts of the Kingdom of Yugoslavia. In Serbia monopolies in tobacco, salt, matches, petroleum, cigarette paper, alcohol, and stamping paper have been supported. The result of their operation it is claimed has increased the revenue of the country and assisted the producers, manufacturers, and consumers. The Montenegro monopolies have been established in tobacco, salt, cigarette paper, petroleum, matches, and intoxicating liquors. In Bosnia and Herzegovina tobacco, salt, saccharine, and powder monopolies have been instituted. A tobacco monopoly has been established in Dalmatia and Slovenia.

Mr. ASWELL. Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. GALLIVAN].

Mr. GALLIVAN. Mr. Chairman, when this bill was before Congress in the last campaign I announced to the House that I was the only Member who had neither a farm nor a farmer in his district, but I am just as anxious to relieve the farmers throughout the West and the South as is any other Member in this Congress. But I can not stand for this bill. [Laughter and applause.] If I have got to support any bill I want it to be the Aswell bill.

Mr. Chairman, I have a great deal of sympathy for the farmers of the country and am just as anxious to try to help them out of their depressive conditions as is any other Member of this House; but I have no intention of voting for any bill which will accomplish that result at the expense of the consuming public of America. It is doubtless true that the great West is suffering from an overproduction of foodstuffs. It is doubtless true that the South is bothered by the overproduction of cotton. The bill now under discussion would take care of the surplus which keeps prices of these things apparently low and it would provide for storing away the surplus or marketing it in foreign lands. Naturally, this procedure would enable the farmers and the cotton growers to get higher prices.

But why should the great West and the South get all the "sugar" in this bill at the expense of New England? Up in my country we are confronted with a condition somewhat similar, namely, an overproduction of cotton goods. The sole reason that many of our mills up there are shut down is that they can not make a profit at the present prices, due to the fact that they have produced an oversupply.

Now, then, if the cotton growers are entitled to have their surplus cotton purchased and kept off the market, why are we in New England not entitled to have our surplus cotton goods purchased in the same way and kept off the market? I wonder if the sponsors of the McNary-Haugen bill will accept an amendment providing that, in addition to farm products, beef and pork products, raw cotton, and tobacco, which are to be fostered and cared for if this bill becomes law—I repeat, I wonder if those who plead for the farmers of the West and the cotton growers of the South will stand up and be counted for an amendment which will provide that manufactured cotton goods be included in the equalization scheme in this bill?

Oh, yes; I can already hear some of my friends in the so-called farm bloc whisper that manufactured cotton goods are protected by the tariff. May I remind them that all the products included in the McNary-Haugen bill, excepting cotton, are protected by the tariff? Our farm friends in this House claim that their people are entitled to a market for what they can produce and are also entitled to reasonable profits. If that is accepted as a truism, I ask you why are not the mill workers of New England entitled to steady work and reasonable wages? I would so phrase the amendment which I suggest that it would provide for the inclusion of manufactured cotton goods in this bill when produced in mills which provide steady work to operatives and which pay the going scale of wages.

Now, please do not interrupt me to say to me that you have included cotton in this bill because you believed it ought to have been included; you are looking for the votes of those who come from the cotton-growing States, and so you are throwing to the South a great big plum, and I ask you, in colloquial language, why can not New England "horn" in right at this point? We are just as much entitled up there to higher prices for our cotton manufactured goods as are the people of the South for their raw cotton; and if the farmers of the West and the cotton growers of the South are to be guaranteed a fixed price for their products they can well afford to pay a higher price for the products of the New England mills. Let us not forget that the working people of New England will have to stand a great part of the increased cost of living which will follow the enactment into law of the McNary-Haugen bill. But I for one believe they will be willing to stand for it if, in turn, they are assured steady work and reasonable pay by the same Government agencies that are to assure it to farmers, stock raisers, cotton growers, tobacco planters, and so on, and so on, by the McNary-Haugen bill.

Think it over, men of the South and of the West, and see if we in New England have not some claim on you in this hour. [Applause.]

Mr. ASWELL. Mr. Chairman, under the rule I have control of one-half of the time, or six hours. It has been agreed that I shall yield one-half of my time, or three hours, to the gentleman from Kansas [Mr. TINCER].

Mr. HAUGEN. Mr. Chairman, I desire to yield two hours to the gentleman from Kentucky [Mr. KINCHELOE].

Mr. TINCER. Mr. Chairman, I yield myself 30 minutes. Mr. Chairman and gentlemen of the committee, I do not know why it is that the people supporting the McNary-Haugen bill never talk about it. I do not believe that it is any argument in favor of the bill for me to stand here and describe a condition that we all know exists and simply say that that condition ought not to exist. I do not think it is fair for one Member of Congress to assume to himself the idea he has any more regard for one of the great basic industries of this Nation than has any other Member. I think the McNary-Haugen bill had its conception in the condition that the distinguished chairman just delivered the greater portion of his address, which was with his eyes shut in absolute darkness. [Laughter.] I do not believe that anyone has ever, in all the talk we have had in debate of the McNary-Haugen bill, attempted to analyze or apply to it the course that the bill would take in working out and follow it step by step in any commodity.

Now, we have men of ability in this House who support the bill that could do that if the facts would warrant it. The trouble is that the most of the supporters of the McNary-Haugen bill have been controlled by telegrams, postal cards, and not by the hearings and encyclopedia! There is a live, virile, active minority in this country that is seeking to control this legislation. No one doubts that.

Take the great State of Kansas; we can not deny that we are influenced by the ever-hanging shadow of the great Ralph Snyder, who can not hold an elective office in the State, but manages to keep an appointive office of an active minority. It was he who attended the last gathering of the Kansas Farm Bureau and introduced a resolution of denunciation of Senator CURTIS and a resolution asking for the indorsement of the McNary-Haugen bill. He did not get them through this year, but last year he did. But he is there active all the time.

I represent the greatest wheat-growing district in the United States. I am a representative from a district that produces more milling wheat than any other congressional district in the United States. I have made many campaigns in the district, political and otherwise. I know the farmers of that district. There are more than 350,000 of as good people as live under the canopy of heaven, who have their homes in that

district. But listen! Not one farmer in that great wheat district of Kansas is for this bill. Tell me the farmers are for it! Witness the fight I made last winter and spring here on this bill. I went home and went through another campaign, and if there was one man in that district for this bill I would have met him and known about him. Ralph Snyder is for it. Indiana has a great statesman. Have you ever met him? I do not mean PURNELL or WOOD or any of those boys.

I have reference to the great William Settle, the man who mortgages his farms in Indiana and comes to Washington to tell the boys how to vote, the man who wears spats around here, one of these lobbyists you see going around with spats on. He could not be elected to any office there, but he farms the farmer, and comes here and tells you how to vote. He does not know what this bill is about any more than some of its proponents on the floor do. Still he is here to tell you how to vote. Ah, gentlemen, the American farmer is entitled to a square deal. He is entitled to have his Congressman study and know the facts for himself. He is entitled to help from his Congressman. I heard a good one yesterday. I heard of a reputable Congressman on the Democratic side of the aisle, and I am glad he is there, although we have some like him, who said—and some of you will know who it is—"Gentlemen, the time comes finally in our service here when we must rise above principle." [Laughter.]

You know who he is—he always rises above principle. Last year when the terms of the Haugen bill were finally agreed upon I had this chart brought in on the last evening to show to my colleagues from Kansas and elsewhere that the wheat farmer could not afford to be for the Haugen bill. Do you remember the answer that was made then? Nobody knew anything about it or how to answer, so the men from the Northwest just picked out the best-looking fellow they had in the House, the gentleman from North Dakota [Mr. BURNES], and he came down here and said, "That chart won't do; it won't do." This year after investigation they got to looking it up, and Sidney Anderson, a former Member of this House, got to writing letters and calling the attention of the Representatives who represent the great wheat-growing districts in his section of the country to the fact that the bill in its present form would destroy the wheat farmer, which it would. Then what do these ambitious politicians do when they get into that kind of a hole? The gentleman from Iowa [Mr. DICKINSON] came on the floor the other day—and he is the father of all this tax-on-production business—and made a speech in which he said certain things and, I claim, made certain admissions. I have no apology, Mr. Chairman, for loving Sidney Anderson, who served on the Agricultural Committee. The worst thing that can be said about Mr. Anderson is that he thinks—almost a crime for a Congressman—but he did think when he was here in Congress and he is still doing it. As I say, he wrote a letter and called the attention of these gentlemen to the fact, and the gentleman from Minnesota [Mr. NEWTON] had this other chart drawn up proving the accuracy of the chart to which I formerly referred, which I used last spring. Not abashed by having misled Members of Congress from the wheat-growing districts, the gentleman from Iowa [Mr. DICKINSON] comes here and makes a speech, and here is his answer to the chart:

Under the new bill, under the whole machinery of the McNary-Haugen bill, you can levy the equalization fee against the Canadian wheat brought in by the millers the same as against domestic wheat.

He admits that you could not have done that last spring, and states that you can do it now. There are just two reasons why you can not do it now. Will any member of the Agricultural Committee within the sound of my voice say that it was ever advocated in that great committee by any member that that board be given that power? The chairman is here, and many advocates are before me. Does any member of the committee say that Mr. DICKINSON's statement is accurate, that any member of the committee ever advocated that we put into that bill a provision granting power to that board to levy an equalization fee against imports?

Mr. HAUGEN. Oh, Mr. Chairman, it is stated in the bill. That is the processing. It matters not whether it is domestic or foreign consumption.

Mr. TINCER. I knew the idea was an Iowa idea. I repeat, Mr. Chairman, that no member of the Agricultural Committee will state that it was ever mentioned in the Committee on Agriculture that we were reporting out a bill giving this board power to lay a duty or to collect a tax on an import. I remarked at the time when I was sitting here listening to

Mr. DICKINSON's speech that perhaps if the Iowa farmers have not done any better type of thinking in the last few years than have the Iowa statesmen, that might account somewhat for their condition. As a last resort you rush to my colleagues with this thing and you say to them, "Yes; TINCER was right last spring, TINCER was right when he said that would drive the wheat growers of Kansas out of business, but we have fixed it now, because we are going to collect an equalization fee in addition to the 42 cents tariff." The bill does not provide for anything of the kind. Oh, they say it does, they say that you can collect it off the railroad companies. Think of this Congress delegating the power to a railroad company to collect an equalization fee on an import! Think of this Congress delegating such a power to a board.

There is one good reason why Congress can not do that. We have constitutional, orderly government in this country. I am not going to argue the legal proposition, but the Supreme Court of the United States has never once hinted at a statement contradictory to the fact that we can not delegate any such power as this, even to the President of the United States, and the cases are clear. We can delegate the power under a certain state of facts arising for a certain thing to be done, as we did in the emergency tariff law, and we went the limit there; but here is a bill that proposes to give this board that power, according to Mr. HAUGEN and now Mr. DICKINSON the other day, something that was never heard of in the committee. It is like butter in the bill last year. You remember I had a little tilt with the Iowa folks about butter being in the bill last year, and they finally said that it got in through a typographical error. [Laughter.] Well, it is out this year by a typographical error and they have got rice in. Rice has suddenly become a great basic agricultural product! [Applause.]

Rice! What did they put rice in for—to get two votes? Rice in, cattle out, raw-milk products and butter out.

Mr. BLACK of New York. Will the gentleman yield?

Mr. TINCER. I had rather not. I want to talk a little while rather connectedly and then I will yield. I call attention to another thing, you wheat boys. Mr. DICKINSON said the other morning, and it is the first time I ever saw one give his hand away. Listen:

In some sections of this country, like the State of Washington and the State of Oregon, where they raise wheat, a large portion of which is exported, under the definition drawn in the Crisp bill the only hope those fellows would have is to change to some other grade of wheat.

What did DICKINSON mean by that? What did he mean? I will tell you what he meant. They can not change to another grade of wheat. You can not change to the hard wheat grown in Kansas; and yet if the Crisp bill passes they say they are going to raise a different grade of wheat. Do you men representing the hard-wheat districts want to pass a law that the west coast has got to raise macaroni wheat and tax our wheat to bring it up to a level? Do you want to do that? You know—I do not know what Members of Congress do know—but this man from Ohio who said he did not have a debate and the other fellow said they did have a debate, this man BRAND, the great debater who suddenly became a great economist in a few moments last year, he came to me and some fellows and said, "You raise soft wheat in Kansas." Think of a fellow preaching all over this country about levying a classification fee on wheat who found out only yesterday that Kansas raised the best hard wheat in the United States! He thought we only raised soft wheat. That reminds me of a story: One time a nice-looking fellow lived on the west coast and had a lot of farm land. Do you know what he raised on that farm land? He raised hops. Then came prohibition, and he did not have any use for the hops, but he exported them for a year or two and then tore it up and planted the ground to wheat, and he found out he had no market for his wheat, because out of the wheat he raised they can not make flour, but he had to export that wheat at half price. It was only used by some nations of the world, and the very poorest class of people eat it when it is reduced to macaroni or other worse dishes. [Laughter.] That man saw the light—this old hop farmer, he is no slouch—and they say he is going to be Vice President if you get the McNary-Haugen bill through, transformed from a hop farmer to Vice President. If he is ever Vice President, long live the President. [Laughter and applause.]

Are you, my colleagues, going to vote to tax my people to bring the macaroni wheat up to a standard with the wheat grown in your district, Mr. JONES, in your State and my State and the Middle Western and Northwestern States? Are we going to tax my wheat? They can produce millions of bushels of wheat on the Pacific slope, and the only thing wrong is that it is not

fit to make flour out of. That is all that is wrong. I want to call your attention to this; they must have let something drop about the quality of the wheat they raise, so we find in Mr. DICKINSON's speech an admission that the Crisp bill will regard the grade of wheat; and if they ever do that on the west coast, they will have to raise a different crop of wheat. Mr. TIMBERLAKE, you and I know they can not raise a different grade of wheat, because they only produce soft wheat.

Do you want the farmers from your district to pay a tax on that hard wheat or on the high protein character of wheat that we raise in eastern Colorado and western Kansas, so that the old hop farms of Washington and Oregon can be turned into wheat farms at our expense?

I want the gentleman from Iowa [Mr. DICKINSON] to tell the Congress and the country, aside from politics, what he meant by that statement. This is a funny deal, you know. When you do not know for sure what to do, why, Peek wires Lowden, and Lowden wires back, "We will take this and nothing else." God bless his soul! I love him. I loved him when he appeared before the committee and denounced this thing. I loved him before he was sold on it. But you know, folks, you can get to chasing a rainbow like the Presidency of the United States until it becomes so alluring that you lose sight of little things like the facts. [Laughter.]

He is to be President, and the hop farmer is to be Vice President, and DICKINSON is to be Secretary of Agriculture and TOM WILLIAMS is to be Secretary of the Navy, and FRED PURNELL is to be Secretary of War. [Laughter.] I mention the organization somewhat in detail because I think the Army will be necessary if you are going to collect these fees. [Laughter.]

Mr. ASWELL. What about CHARLIE ADKINS?

Mr. TINCER. Oh, Charlie is absolutely innocent. He is voting for this bill because he believes in it, and he is absolutely justified in believing in it because he is entirely unable to comprehend or understand it. [Laughter.]

I say that in all the best of feeling. You remember last year what a hole he got me into. I will read you about that. One of the changes that is made in the new bill is mentioned on page 5 of the majority report on this bill.

Under the new bill the term "cooperative association" means an association qualified under the Capper-Volstead Act. Under the old bill the term "cooperative association" meant an association, whether or not qualified under that act.

You know when we had the Illinois Prairie Farmer saying, "It is that way, but it was this way before." He was wrong then, and he is right now. That is his story. He is like DICKINSON's speeches. He has made 25 speeches on this subject, 24 of them renouncing the others that he made, and in the last one he admits that he has now a perfect plan. All his other speeches advocated a plan that would not work. [Laughter.]

What does this board do? If you do not think this bill is a joke, I want you, sometime to-night, when you have more time than I have, to turn to page 5 and read the changes they say they have made in it. The only major change that has been made with respect to this bill is the dealing that has been done and the trades that have been made. They put rice in and took butter out, and got two, I understand. [Laughter.]

I understand that the bill expressly says in a dozen places that it applies to food products only. I understand by a change in the imagination, in a few hours, we are going to announce by law for the first time in the history of this great country of ours that tobacco is a food. [Laughter.] When you do that—I am not going to get into that fuss—but I want you to state in the bill which kind of tobacco is food—chewing tobacco or smoking tobacco. [Laughter.]

Now, Mr. HAUGEN never thought this bill would work, but about this bill in the condition it is in now on March 6, 1926, Mr. HAUGEN said to a man named Hirth:

The bill provides for a tariff adjustment, and if you take it out you might as well put it in the wastebasket.

He was right, you had better put it in. Of course, I do not know what they are going to do. They are going to levy this equalization fee on the imports. They are going to work the Republicans by saying they are going to put it on the imports and the Democrats by saying they are not. They will catch us coming and going. You can make rice a basic agricultural product and cattle not because somebody out West does not want cattle. They take that out. Others say, "My information is fairly reliable that tobacco is to become a food product and a basic agricultural product to be cared for in a food product bill."

Mr. PURNELL said yesterday that the bill would not increase cost of living to the consumers a penny. He would not yield when I tried to interrupt him, and I did not blame him [laughter], because he was making a speech at that time for his consuming public. Now FRED may make another speech in which he says he hopes Bill Settle will polish up his spats and go out and address the farming population. He is double-barreled.

There are some things we are sure about, and we are sure they will establish a board of 12. There are only about 12 of them qualified. That would put in Bill and Murphy and the bunch. They talk about farmers being in favor of this bill and speaking for their great organizations. They know there are only about 5 per cent of the farmers included in that organization. They may appoint and fix salaries of secretaries and such experts, and so on, in accordance with the classification act. They can appoint some others. There is a funny thing on the top of page 7 of the bill. The experts do not have to pass a civil-service examination and will not be appointed under the classification act. They can have as many of them as they want and pay them whatever they want, and the farmer pays them out of the equalization fee. I said to one member of the committee, a personal friend of mine, "Why did you not put the experts under the civil service?" I said, "You are liable to get some experts who can not read writing freely." He said, "Oh, hell; we expect to get experts that can not even read reading." [Laughter.]

They expect to take care of the boys. That is what they are going to do, take care of the boys. How many can they have? Well, it says they can have as many as may be necessary for the execution of the functions of this new board. They can have as many of these experts as they want, and they say they are such friends of the farmer that they would not do anything against the farmer; but the fact is they have been bleeding the farmer for years.

While I was home I tried a few lawsuits for farmers. You may be surprised to know they did not believe all the stuff that was said about me last spring. I am still their lawyer. Some of their lawsuits were over this proposition. This bunch went down and organized them into a wheat pool, and had them contract to pay 25 cents a bushel for all the wheat they did not deliver. Then when they failed to make delivery they sued them.

I wish you could visit one of those court rooms in western Kansas and see how those farmers would like to pay this equalization fee. [Laughter.] You know our defense generally was that the old man did not raise any wheat that year; that he rented his land to his daughter, to his wife, or somebody else. We had those defenses and I never knew one of those defenses to fail with a jury, and they will not fail. Let me say to the gentleman from Illinois [Mr. WILLIAMS] that if this bill passes you are going to collect this fee based on the experience I had in trying to watch those men try to collect this 25 cents out of those farmers. You will need to ask, not for three cruisers, but for a great big standing army because you are going to need it. They are not going to pay it.

Ah, but you say to them, "We are going to levy this in such a way that you will not have to pay it unless you want to; we are going to have an advisory council." Who selects the advisory council? The board does. If the law was in effect now they would put it into effect, would they not? Would they wait 24 hours before putting their experts to work? No. Every one of the experts included in the Lee House lobby would be sent home to-morrow to go to work.

The CHAIRMAN. The gentleman from Kansas has used 30 minutes.

Mr. TINCHER. Mr. Chairman, I yield myself 15 minutes additional.

They would be sent home to-morrow to go to work as experts. They have posed as experts and made Congress believe they were. Then, what would they levy the equalization fee on first? Cotton, because it is off price. How could it help cotton? No way in the world! No one has ever offered an explanation as to how it would help cotton, and no one ever will. But they would levy it. How many experts would you need on cotton?

I do not know, because I do not know anything about grading cotton. Then they would come out and levy one on hogs, and I know how that would work. The poor old hog man. He did not have a KENDRICK. The packers said, "If you leave hogs in you may take cattle out." The packers are not against this bill. This is a packers' bill. If the packers had been against it, it would not be here. I have tried that. I have tried to get some

hills out here that the packers were against, but they are not here against this bill. We are going to function now on hogs. What can the board do about hogs? The first thing they could do would be to fix the price, could they not? There is no dispute about that. Say you have 200 head of hogs and they have fixed the price. Then they can contract with the packer to process the hogs. They can pay the packer his expenses, charges, and profits—a cost plus policy adopted by our Government for the handling of his production by the meat packer. Then how can they get the money? They can levy a fee upon the hogs at so much a pound. To pay what? The packer's costs, charges, and the guaranteed profit, as well as the pay of the experts, clerk hire, and other salaries. A fine future for the man who wants to raise hogs, and a fine prospect.

We step from a realm where we know that agriculture has been mistreated and trampled upon through their marketing system by the five great packers; we step boldly out and give to a board known to be friendly—a board that deals with them every day as lobbyists and changes their bills to suit them—the power to contract with them in such a way as to ruin every little farmer in the United States.

O gentlemen, I wish the whole story could be written. I wish the whole story could be told as to why they took cattle out. It really is because the cattlemen are big and organized and can fight back. So they take cattle out and put the little fellow who raises a few head of hogs in. They say, though, they will have an advisory council to advise them, 5 or 6 men in the United States to advise with 12 others, and a contract like that made. Is there a Member of Congress here who ever voted to create a board that was not disappointed in the conduct of that board? No. History does not record those things. You create this board and take the farmer's business away from him and give it to the board and you will have the most dissatisfied, the most unhappy, and the most mistreated farmer in the world. Oh, they say here on page 5 of the report that this bill is better than the old one in that respect. Not so; they have an advisory council now of seven. When you voted on and defeated the old bill, a few friends like my friend from Oklahoma and my friend from Texas had amended it so that it took a majority vote of the farmers. So long as you leave it to the representatives of these cooperatives or of these organizations of paper farmers to decide, the rights of the real farmers will not be considered.

I do not want to take any time to speak of the legal proposition, but here is a fundamental principle of law that has never been denied by any authority:

That Congress can not delegate legislative power to the President is a principle universally recognized as vital to the integrity and maintenance of the system of government ordained by the Constitution.

This is from the opinion of Mr. Justice Harlan in *Field v. Clark* (143 U. S. 649). I like this case because it is the case in which the court decided they had not delegated such power and then commented upon the constitutional provision. It is no different from any other case. No lawyer will take this floor and tell you that there is any decision of our courts warranting the delegation of this power.

This board would have more power not only than has ever been transferred to any organization in America, but it would have more power than was ever advocated to be transferred by any bill on the floor of this House.

Some people have lately said to me that I was kind of foolish in fighting this bill. I am going out. I am going into the practice of the law. If there is anybody on earth who will get any benefits out of this bill, except the packers, it will be the lawyers. [Laughter.] I think that is true, and I think I would be fairly well qualified—I am not advertising—to show them some of the weak spots in it. [Laughter.] But it is not going to become a law. They can send all the telegrams from Peek to Lowden and from Lowden back to the great hop raiser, and they can organize their cabinet; yea, they can call out their armies, but there are still enough men in this great Government of ours that believe in the fundamental principles enunciated by our Constitution and in free government so that there will never be such a law as this spread upon the statute books of the United States. [Applause.]

Has there ever been a conversation in the cloakroom concerning the merits of this bill? Did you ever hear one? No; the conversation is about what pressure they are bringing back home. I never heard a Congressman, outside of here in the well, claim that the bill had any merit. Here is the only place it has merit, when they are talking from this well, and they cite a head-tax decision of the Supreme Court which has the

same application to the constitutionality of this proposed act as a divorce suit would have as authority for its constitutionality.

Then the gentleman from Iowa [Mr. HAUGEN], my dear old friend, has the figures down pat. He says if this bill had been in effect with an equalization fee, the lard producers of America would have had a profit of \$27,791,431.24. [Laughter.] An unanswerable argument! Figures obtained in some divinely inspired way, certainly in no scientific or mathematical way. [Laughter.] Then he goes on with various figures. He used to have figures showing how much they would have made on cattle, but when they wanted to take cattle out and put rice in, he went along with them.

Now, you watch them. They are going to vote on this thing over in another body to-morrow, if they get time. They may decide in that other body to devote their time to determining whether Coolidge can run any more or not and they may decide that first. It will depend on whether the prospective Vice President will yield the farm problem in order that they may vote on his qualifications to run again. You know that is getting serious. If you get sent over there you do not know whether you are going to get in or not and they may decide that certain fellows can not run. It has been intimated there are men there who are willing to take his place if he can not run. [Laughter.] If they do not get busy on that question, they will vote on this bill to-morrow; not on its merits, but on how many postal cards and letters the propagandists have been able to work up at home.

Then there is this great quarrel they have in Ohio. BRAND says they did not have "a debate." He spoke first and the other fellow spoke last and they voted and it was unanimous against BRAND. They pretty nearly did not have "a debate." He was virtually correct in that statement, and knowing BRAND, as I do, and having heard him discuss these profound questions as I have, I am inclined to take his side when he says it was not a debate.

Of course, it would not do for a great economist like him, coming from the same congressional district as that able, distinguished former colleague of ours, Dr. SIMEON FESS; it would not do for this great economist over here, so familiar with the subjects of prunes and currants, to agree with Doctor FESS. He would lose his identity. And on this subject of "no debate," I went over this country a few years ago with the distinguished Senator-elect BARKLEY, and I never thought of how to get out of it until yesterday, but there were two or three times when BARKLEY and I met, and I want to serve notice on BARKLEY now that those were not debates, because I lost them. [Laughter.] But wherever I went, like the distinguished gentleman did up in Michigan, where he no doubt drew a picture of Kansas soft wheat, where he won, that was a debate; and where he lost it was not. [Laughter.]

I would feel awful bad if I thought that in the last months of my official career I would have to go home and report to the fellows that raise 12 or 15 hogs apiece and to the boys that produce more wheat than the average of the States of the Union—and my district produced over 70,000,000 bushels of wheat this year, which is more than the average for the States—I would hate to go home and report to these men, "Well, I could not make them believe me. WILLIAMS and PURNELL told the committee that every farmer was for this bill and they got their advice from Peek, of Illinois, the old Moline Plow Co. man, who managed that company like he will this—it busted." [Laughter.] He is an economic failure and is for this economic monstrosity. They criticize the members of the Cabinet for being against this bill. Good Lord, what would they think of them if they were for it. [Laughter.] They do not have to be elected, they can be appointed; they do not have to stultify themselves and follow the postal card and telegrams. They can listen to the hearings; they can listen to the facts and be governed by them.

Now, my friends, I have got a bad cold. I have control of this time and there is always so many things that happen to this monstrosity as we go along and I always feel impelled to talk more or less, and for that reason at this time I am going to reserve the balance of my time until about the time that tobacco becomes a food product. [Applause and laughter.]

MESSAGE FROM THE SENATE

The committee informally rose; and the Speaker having resumed the chair a message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment House bill of the following title:

H. R. 14242. An act to authorize the Secretary of the Navy to proceed with the construction of certain public works at Quantico, Va.

The message also announced that the Senate had passed Senate bill of the following title, in which the concurrence of the House is requested:

S. 4974. An act to amend and reenact an act entitled "United States cotton futures act," approved August 11, 1916, as amended.

THE M'NARY-HAUGEN FARM RELIEF BILL

The committee resumed its session.

The CHAIRMAN. The gentleman from Louisiana [Mr. ASWELL] is recognized for one hour.

Mr. ASWELL. Mr. Chairman and gentlemen of the committee, I believe that the majority of the Members on both sides of this Chamber are vitally concerned in having enacted sane, immediate, effective farm legislation. It is to this sympathetic majority that I wish to address myself now. That there is a serious farm problem every thoughtful man knows.

Prosperity in the country is not so widespread and universal as certain propagandists would have us believe. On January 25, Mr. Edgar Wallace, legislative representative of the American Federation of Labor, testified before the Committee on Agriculture on overtime pay in certain industries. His startling testimony is as follows:

Mr. WALLACE. It is because we see so many men unemployed. We want to get the unemployed to work. We want a division of the work in sight. That is why we are talking about a five-day week.

Mr. ASWELL. Is there much unemployment?

Mr. WALLACE. Yes, sir; in spots.

Mr. ASWELL. How much?

Mr. WALLACE. I was in the New England States all of last year, and I will say that in the textile mills there is 50 per cent unemployment—or there was when I was in New England. In my own industry, the mining industry, there is always 50 per cent unemployment.

Mr. ASWELL. Now?

Mr. WALLACE. Now. It may be mitigated a little by that strike that they had in England, but, in normal times, we have no place to put those men.

My brothers-in-law, three of them, are carpenters. Now, the building trade has been comparatively prosperous; yet, in spite of that, those men have not averaged four days a week for the last year.

I present to the sympathetic majority in this House the bill H. R. 15655, an agricultural export corporation emergency bill as the simplest, the most direct, and the most workable plan yet proposed to this body for immediate relief. It is not an experiment as the proponents of both the other bills admit theirs are. It is on sound and well-tried lines.

Numerous precedents can be cited to you. For example, the revolving fund of the railroad act, the War Finance Corporation, and the Grain Corporation. This bill (H. R. 15655) proposes a Federal farm board consisting of six members appointed by the President—five of the members to be skilled in five basic commodities, one in each, and the sixth member a representative of the public. This board is authorized in an emergency to establish an agricultural export corporation for each basic commodity consisting of five directors. That is a simple outline of the provisions of the bill. It has no equalization fee. Instead of the fee is the export finance corporation plan. There is no doubt as to the successful operation of this plan.

There is not a line in this bill written to gain votes on this floor, not a line written in an effort to win support, not a line in the interest of a presidential candidate. I think it is well recognized that farm-relief legislation in Congress has degenerated into a bitter contest between the boosters of former Governor Lowden and the supporters from the East of President Coolidge. There are sincere men supporting and opposing the Haugen bill, but the uppermost thought in the minds of the leaders of the Haugen bill is the success of Mr. Lowden.

On the other hand, the leading, outstanding Coolidge supporters on this floor and in the country are trying to save the President from the embarrassment of having to sign or veto the Haugen bill. They reason that if he signs it he loses among the "wise men of the East," New England, including Pittsburgh, and if he vetoes it he loses the great Middle West. That is the outstanding issue. They are playing for high stakes, making the farmer the football of the game. Mr. Chairman, there is not a line in this bill that is written for the purpose of winning a vote or in the interest of any presidential candidate. There is not a line in this bill that is written to win the sympathy and support of the professional farm-relief advocates. I do not include in this reference the

regularly constituted representatives of the farmers in this country, like Doctor Atkinson and Charlie Barrett and a few others who have become a necessary part of agricultural organization in America, but I include those who have recently come to the front as professional farm-relief advocates. The Department of Agriculture has estimated that there are 14,000 farm organizations in America. It has been conservatively estimated that the average cost to the farm organizations of agents, lobbyists, or farm representatives in State and Federal legislatures is \$2,000 per year. That means that the farmers of America are being taxed \$28,000,000 a year to support professional farm-relief advocates. There is not a line in this bill that appeals to them. If my bill were enacted into law, it would take all of the joy out of their lives, because the Haugen bill creates 156 jobs outright; 12 members of the board, 60 members of one council, and 84 members of another—156 appointments to be made. Of course, the board is the preferable job, but a member of the council means the prospect for board membership later. The Haugen bill provides almost enough jobs to give each lobbyist around Washington a position to-day, whereas my bill proposes only six jobs and I can not hope to appeal to them.

I call attention to the fact that these lobbyists, these professionals who are here to-day in the gallery, have had their suits pressed, they are well shaven, their hair is trimmed, their ties adjusted, and shoes polished, all ready to make the sacrifice and accept one of these jobs. You will see them in the gallery and meet them in the lobbies during this whole week, and you will find them dressed at their best, waiting to be offered a job. This bill that I present offers no inducement to them, and, of course, it has not been boosted in propaganda throughout the country. You could not expect them to do that, because they have a bill—the Haugen bill—so arranged that they can get a job. The Haugen bill provides that three names for each district selected by the farm organizations must be given to the President, among whom he must select one for the board. Every one of these farm professional advocates has a farm organization back of him, supporting him, and he can be named one of the three, and the President of the United States will have to appoint one of the three. That is the safest way to get to be a member of the board. The bill I present leaves the choice to the President of the United States, limited only by experience and training in the agricultural commodities named in the bill.

I think it is clearly understood that this bill I present as a substitute does not appeal to the lobbyists, it does not take any part in the contest for the Presidency, and every line is written in the interest of the farmer in an effort to help him sell his products at a fair price. There is another reason why this bill does not appeal to the professional farm-relief advocates. If you pass my bill you will solve the question and settle the agitation, and there will be nothing here for them to advocate. That also takes the joy out of their lives.

I would like to have you notice that the Haugen bill as it stands is hopeless for those sympathetic Members to whom I addressed myself to-day. I repeat, the Haugen bill as a relief for agriculture within two years is a hopeless proposition. Why? You have noticed that the night before last a very important dinner, with President Coolidge as a guest of honor, was given in the city of Washington. Sitting at that festal board were men who represented accumulated fortunes of \$5,000,000,000. The Fords were there, the Mellons, the Guggenheims, the Eastmans, the Firestones, and the other multimillionaires. The President of the United States took courage from that distinguished group of "wise men from the East." It was given out boldly the next day that he would veto the Haugen bill; that he was for the Crisp bill. Of course, he is for the Crisp bill. It originated in the Coolidge administration, exactly as the Jardine-Fort-Fess-Tincher bill did last year, for the sole purpose of confusing the situation and blocking farm legislation. You might have noticed that Mr. Morgan was in town that night, but he is not in the list of those attending that dinner. I presume that Mr. Morgan now is not wealthy enough to get into that distinguished group. One had to be a multimillionaire to be invited, and, of course, that means that no Democrat was there. Also, Dr. Nicholas Murray Butler was invited, but he made a curious speech a day or two before, becoming, for the moment, the "White House spokesman," and they did not let him in. I presume they were afraid that he would bring in some wet goods. But the President boldly said, or it was said for him, the next day, that he would veto the Haugen bill. If he vetoes it, you will have no relief. But that is not what will happen. I want to say this with precision.

There is a new plan; it is working daily, effectively, but secretly. If the Haugen bill passes, the President of the United States may give out a statement as to its unsoundness, but he will sign it, and he will not lose support among the "wise and rich men of the East." Why? The plan is deliberate, and I charge it to the Coolidge administration. He will sign it to eliminate Lowden, but already it has been arranged to have the measure go to the Supreme Court of the United States, where it will be held until after the 1928 elections, when it will be declared unconstitutional.

I say, gentlemen, that a vote for the Haugen bill means no farm relief. I ask you seriously to consider that very vital question.

Mr. CARTER of Oklahoma. Will the gentleman yield?

Mr. ASWELL. I can not yield now. The Haugen bill is unconstitutional, unsound, visionary, unworkable, wicked. It is full of wickedness.

SEVERAL MEMBERS. Otherwise it is all right.

Mr. ASWELL. Yes. I would like to point out two or three things. In the first place, it provides that the miller, the packer, the commission merchant, if you please, all processors are guaranteed against loss, with a guaranty that the farmer will pay the loss. There is no question about that, and the board will have the authority to make the fee any amount at its will. There is no limit to its authority. No board created in the history of this Government was ever so powerful as this board would be. It is not only that, but it will establish a situation that will make the agricultural conditions of this country worse than they are now. The board will tax the farmer at will to guarantee losses and to take care of the packers and millers and big men of the country that are behind this bill. The packers are as eager for the passage of this bill as our chairman [Mr. HAUGEN] himself. They are very friendly, and when this bill was being considered in the committee these farm-relief advocates sat in the adjoining room, our chairman's room, and kept tab on everybody, and I remember when the bill was reported favorably three Haugenites rushed out of the room to bear the news to their masters.

The fact is, that any Member of this House, in my humble opinion, who votes for the Haugen bill, especially if he comes from the South, will destroy himself, because the equalization fee will be resisted in a very serious way. In mentioning the 156 jobs which the Haugen bill creates I did not mention experts and secretaries, nor did I mention 50,000 Federal agents to go over the country collecting the fee. But they are not desirable jobs, because the Federal fee collector will have to have a bodyguard. The Congress acted wisely recently when in contemplation of the possibility that this Haugen bill would pass it increased the standing Army by several thousand, because this equalization fee will be such a tax that in some sections of our great country riots and civil war will result; and I sympathize with a Member of Congress, honestly and sincerely, who would cast his vote for the Haugen bill, which would tend to lead to such a condition in any part of our country.

The passage of the McNary-Haugen bill would—

1. Menace future farm prosperity and every branch of industry by establishing the Government in the business of buying, manufacturing, and marketing.

2. Nullify the good accomplished by our present marketing system.

3. Antagonize foreign countries by dumping our surpluses abroad, which inevitably would bring about retaliation by foreign governments through erection of tariff barriers against us for years to come.

4. Yield to the farmer the doubtful privilege of participating in an involuntary pool, without the privilege of any control over those who direct the pool's activities.

5. Artificially raise prices to the domestic consumer, with no guaranty to the producer.

6. Grant to the Government powers so paternalistic as to mean compulsory communism for the American farmer.

7. Eliminate all incentive to apply the most-needed remedies, which are: Sound diversification, rehabilitation of credit, industrious application of study and work to the problems of the soil.

8. Build up a still greater army of Federal employees, whose salaries are paid by the farmers.

9. Leave the bill of costs for the whole impractical, vicious, visionary, and socialistic project in the hands of the farmers for settlement.

WHAT DOES THIS MEAN TO YOU?

Mr. Milton Crowe, secretary of the Grain Shippers Association of Nashville, Tenn., under date of February 5, 1927, confirms my opinion of the vicious Haugen bill in the following language:

During the years of life of the McNary-Haugen bill, in spite of the heralded farm distress, the real farm farmers have never been persuaded that such legislation was the remedy to bring them relief.

The Tennessee Legislature, last week, predominately from farm communities, refused to indorse this bill. So-called farm leaders, largely from isolated districts of the grain belt, which districts have suffered largely from land speculation accompanied by bad loans and a weak and unhealthy bank situation; together with its capture, as a vehicle for the selfish aims of a so-called popular aspirant for the Republican nomination for the Presidency, have been the nutriment for the extended life of this bill.

The South is not concerned with any of these local mistakes or political ambitions.

Your vote for the passage of this legislation will bring to you the curse of the business constituency whose business and investments you will be voting to undermine, whose money you will be voting foolishly and flagrantly to waste, and eventually the curse of the farmer who ultimately will be seriously injured, if not destroyed, should the aims of this uneconomic legislation ever be fulfilled.

In the last analysis the McNary-Haugen bill holds little promise of popularity for you. The bill is so full of unsoundness and weaknesses that your able analysis of it to the few supporting constituents should overcome a criticism due to an opposing position.

We appeal to the integrity you owe your office, to your honesty as a citizen, to take a firm stand against the passage of this bill.

Mr. BLANTON. Will the gentleman yield?

Mr. ASWELL. Yes; I yield.

Mr. BLANTON. Hon. Clarence Ousley, of Texas, formerly holding a position in Washington, has circulated a memorial among certain business men in Texas, which was put in the RECORD, and one of the names was Col. Ike T. Pryor, of San Antonio, who is one of the leading citizens of my State, appears on the memorial. He has sent a letter saying his name was placed on there by mistake and that he is for the Aswell bill and not for the Haugen bill. Probably others of those who are signing such memorials, if they really understood the two measures and compared them, would probably not be signing so many memorials for the Haugen bill.

Mr. ASWELL. I think that might be.

Mr. BLANTON. I would like to give the gentleman a copy of that communication of Hon. Ike T. Pryor to put in his remarks at this juncture.

Mr. ASWELL. I thank the gentleman.

The letters are as follows:

SAN ANTONIO, TEX., January 27, 1927.

Hon. THOMAS L. BLANTON,
House Office Building, Washington, D. C.

MY DEAR MR. BLANTON: I am inclosing herein copy of a letter I have to-day written our good friend JOHN GARNER. You will observe after you have read that letter, I am sure, that I have carefully read the CONGRESSIONAL RECORD you sent me, beginning on page 2087, Mr. ASWELL's speech, as reported. I want to thank you for taking the trouble to send me this and copies of the three bills.

I unqualifiedly indorse the Aswell bill as compared with the Haugen bill, but really and truly it is going to be impossible to write a bill that will fit all the different angles of agriculture and marketing the products of the soil until it is tried out. The Aswell bill can be added to or taken away from as experience and circumstance dictate until we get a more perfect measure, and there is no question but that through cooperative marketing we can find great relief if furnished the facilities by the Government to operate such a plan.

I again thank you for sending me the literature, and am, with kindest regards,

Sincerely yours,

I. T. PRYOR.

JANUARY 29, 1927.

Hon. JOHN N. GARNER,
House Office Building, Washington, D. C.

MY DEAR GARNER: I am in receipt of the CONGRESSIONAL RECORD you so kindly sent me with page 1986 marked. I took the pains to read carefully the "Memorial to Congress by a group of Texas business men."

Some months ago Clarence Ousley sent me a copy of the proposed bill, and I laid it aside and failed to read it and it finally became misplaced. He wrote and asked for my indorsement, and, thinking it was along the line of the Curtis-Aswell bill introduced some time ago, I gave him my indorsement. Now, I see he has used this indorsement, with other business men's, to promote the Haugen bill, notwithstanding the fact that I wrote him and retracted what I had said after I had discovered my mistake. I have never been in favor of the different bills introduced by Mr. HAUGEN, but have always been in favor of the bills introduced by Mr. CURTIS or Mr. ASWELL, or both, and one of

my reasons is that the Curtis-Aswell bill does not undertake to centralize all the administrative power in Washington. I do not believe it is a good idea to centralize cooperative marketing and leave it in the hands of Washington officials—our Government is too much centralized now. I am hoping the bill introduced by Congressman ASWELL will have favorable consideration.

We are having, etc.

Your friend,

IKM T. PRYOR.

Mr. LEA of California. Will the gentleman explain the practical working of his bill? Suppose the bill were in operation to-day and wanted to deal with the cotton situation. What would be the gentleman's plan?

Mr. ASWELL. I will say to the gentleman from California I did not go into that, because a few days ago I discussed the question fully on this floor as to what would be done in the case of cotton now if the bill were in operation. I showed that when the price of cotton was 12 cents, my cotton export corporation plan would, if enacted into law, promptly raise the price to 15 or 18 cents a pound.

The board would establish an export cotton corporation with five directors, hard-headed business men; they must be, and would be. That corporation would immediately announce that it was ready to buy the surplus cotton at a fair price, which, as far as I have been able to test the sentiment among the leaders in both parties and in the President's Cabinet, would begin, say, at 15, or 18, or 20 cents a pound. The corporation would have financial ability and authority to do what it announced it would do; that is, to take off the market the surplus of three or four or five million bales.

I think it would not take any stretch of imagination to see in advance that the price of cotton would instantly rise to that level and higher, and you might not have to organize at all if the bill were passed, because the knowledge of the fact that this corporation had this authority behind it and the authority to borrow ten times that amount would enable the public to recognize the potentiality of that corporation, and the price would be stabilized at once.

Mr. McDUFFIE. Mr. Chairman, will the gentleman yield?

Mr. ASWELL. Yes.

Mr. McDUFFIE. Would there not be an increase in production of the commodity?

Mr. ASWELL. No.

Mr. McDUFFIE. In other words, if the producer is assured that he will receive a reasonable profit for his labor, will not that stimulate him to produce more? And will not that be the result both under your bill and under the other bill?

Mr. ASWELL. Under my bill it would not. This export cotton corporation will have the surplus cotton, and suppose you are a farmer and the corporation has bought a part of your crop. What authority in the world could be more forceful than that corporation to say to you that if you continue to increase in acreage you lose the price you are receiving now. The cotton corporation will have the greatest authority of any institution I can conceive of to reduce the acreage. You will note the corporation has the discretion to determine what a fair price is, and the board has the authority and the discretion to terminate the corporation at will.

Mr. CARTER of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. ASWELL. Yes.

Mr. CARTER of Oklahoma. Is there any possibility that they will do so?

Mr. ASWELL. Yes. In order to secure a decent price next year.

Mr. CARTER of Oklahoma. It has always occurred to me that there are three factors in the country who could control the acreage of cotton. Of course, no human agency can completely control production. Sometimes we have a large production on a small acreage, but acreage has a most potential influence on production. The gentleman knows that cotton production is conducted almost exclusively on a credit basis. That being the fact, three agencies should be able to control cotton acreage—and that is the principal element in the control of production—to wit, the banker, the landlord, and the credit merchant, and the latter is no longer a very important factor. If these agencies would organize they could control production so far as human endeavor is capable.

Mr. ASWELL. I agree with that; but I will say to the gentleman from Oklahoma that I have stated many times that the problem of agriculture in this country can be stated in two words—organization and stabilization. My bill now deals with stabilization only in the present emergency.

Mr. CARTER of Oklahoma. But everything comes back eventually to overproduction. No man has ever thought out a plan suggested for stabilizing the price of cotton without eventually meeting the question of overproduction. These three factors—the landlord, the banker, and the credit merchant—are the most vitally interested in the control of production. It would not be necessary to organize the farmers if those three factors be organized.

Mr. EDWARDS. Mr. Chairman, will the gentleman yield?

Mr. ASWELL. Yes.

Mr. EDWARDS. The gentleman has stated that there is no equalization fee in this bill. To just what extent does the equalization fee apply to cotton?

Mr. ASWELL. Under the Haugen bill the equalization fee would not help cotton. The board will have to make it \$10 or \$15 a bale. The proposal is to take the surplus cotton off the market. There is no tariff on cotton. The surplus of cotton is 5,000,000 bales. It would take \$500,000,000 to take it off the market. There were 18,000,000 bales raised last year. At \$2 a bale it would raise \$36,000,000 for the fund.

The fallacy of the Haugen bill as applied to cotton is manifest on its face.

Mr. EDWARDS. The objection that has been raised against the Haugen bill and the Aswell bill is that the initial amount applied is a subsidy. Does not that apply to the Haugen bill?

Mr. ASWELL. The answer to that is if they do not want a subsidy, why do they have \$250,000,000 as a revolving fund? They do not expect this revolving fund ever to revolve back to the Treasury.

Mr. CRISP. Mr. Chairman, will the gentleman yield?

Mr. ASWELL. Certainly.

Mr. CRISP. I am impressed with the thought that the gentleman has a good bill, and I would like to vote for it. I would like this to be made clear before the House, in view of the answer made by the gentleman to the question propounded by the gentleman from Alabama. I understood the gentleman to reply that the influence that would hold down excessive production was that the export corporation could say to the farmers, "We are holding part of your surplus." Would the farmer individually have any interest in the cotton that the corporation went into the market and bought? Would he not be absolutely divested of all rights in that cotton?

Mr. ASWELL. Not at all, because he would have to come back to that corporation next year for assurance of a fair price. If the producers refuse to cooperate with the export corporation, the board can terminate the corporation. The producers can thus be forced to cooperate in the matter of acreage reduction.

Mr. CRISP. Then I had an erroneous idea. I understood the plan was that this board was to go into the market and buy the surplus, and then the title vested in the corporation and the corporation could dispose of it howsoever it pleased, and the farmer had no interest in that. Therefore I can not see how you say you are holding the farmer's cotton.

Mr. SANDLIN. But suppose they would say to the cotton raiser, "We are having so much cotton that we hold, and we will put that on the market at 15 cents a pound." Would not that check the overproduction?

Mr. CRISP. I think if they used wisdom and common sense, yes. I think undoubtedly it ought to check, because common sense would dictate such action.

Mr. SANDLIN. Does not the gentleman think that would influence them a great deal?

Mr. CRISP. Yes. I said that if they used common sense it ought to hold down production.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. ASWELL. Yes.

Mr. GARRETT of Tennessee. The gentleman's bill does not hold the idea that in any way it repeals the law of supply and demand?

Mr. ASWELL. Absolutely not; it supports that law.

Mr. BLANTON. Will the gentleman yield?

Mr. ASWELL. Yes.

Mr. BLANTON. The first Haugen bill, which was introduced in May, 1924, did not embrace cotton at all?

Mr. ASWELL. No.

Mr. BLANTON. The one that was introduced in April, 1926, had to be amended before it could get many votes, so that the equalization fee on cotton was limited to \$2 a bale. Now, the new Haugen bill that is before this House has no limitation whatever on the equalization fee this board may prescribe. So they have thus played both ends against the middle on cotton in the bills. The first end of it was that they left

out cotton; the next end was that they limited the equalization fee to \$2 and now they have left it wide open. How do they expect to get votes?

Mr. ASWELL. They will take in anything that will get them two votes. I will say to the gentleman from Texas that they took cotton out for two years and gave a subsidy, and now the leaders of the Haugen crowd are going to put in tobacco in order to get some votes; and I heard it said to-day that the leaders of the Haugen supporters would put in Russian thistle, wild oats, and Johnson grass if they could get three votes, and make them basic agricultural products.

Mr. ARNOLD. Will the gentleman yield?

Mr. ASWELL. Yes.

Mr. ARNOLD. What would determine the price that the corporation would pay the producer for the cotton?

Mr. ASWELL. The corporation itself, in its judgment.

Mr. ARNOLD. Would that be based on the then prevailing market price or on any price the corporation would pay?

Mr. ASWELL. It would be bound to pay a fair price. It would be created for that purpose.

Mr. ARNOLD. Is there anything in the bill which controls that feature of it?

Mr. ASWELL. Nothing; except that the corporation is authorized to buy.

Mr. ARNOLD. At any price that would suit them?

Mr. ASWELL. Yes.

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. ASWELL. Yes.

Mr. CONNALLY of Texas. Under the present Haugen bill, as it relates to cotton, is it not true that whenever an operating period is declared by the board, the board is then forced to levy an equalization fee on every bale of cotton, regardless of whether it is handled by a cooperative or not?

Mr. ASWELL. Absolutely.

Mr. CONNALLY of Texas. Under that statement of fact—

Mr. FULMER. If the gentleman will permit, that is not the fact.

Mr. ASWELL. I so understand it.

Mr. FULMER. When they declare an operating period then a majority of the cooperative associations, other farm associations, the advisory council, and the members of the board will have to agree to levy an equalization fee.

Mr. CONNALLY of Texas. I agree with the gentleman, but they have to do that before they can declare an operating period, as I understand.

Mr. ASWELL. Absolutely.

Mr. CONNALLY of Texas. When they once declare an operating period they have no option but to levy an equalization fee on every bale of cotton that is marketed thereafter; is not that true?

Mr. ASWELL. That is true.

Mr. CONNALLY of Texas. If a man who does not belong to a cooperative comes in and sells a bale of cotton he is forced to pay the equalization fee?

Mr. ASWELL. Absolutely. Every producer is forced to pay the fee. It means enforced communism in agriculture.

Mr. CONNALLY of Texas. He does not get any certificate or any hope of getting that fee back, does he?

Mr. ASWELL. Not that I know.

Mr. CONNALLY of Texas. In the case of cotton they do not issue him any certificate?

Mr. FORT. If the gentleman will permit, they do issue a certificate.

Mr. ASWELL. But they are going to take that out.

Mr. FORT. I did not know that.

Mr. CONNALLY of Texas. I understand that is the way the bill is going to be presented and that they will not issue any certificate, so that all the Haugen bill would do for a man who is not a member of a cooperative would be to exact an equalization fee, have him sell at whatever the market price is at the time, and get none of the benefit of any rise that may occur.

Mr. ASWELL. That is true; that is actually correct.

Mr. KETCHAM. Will the gentleman yield?

Mr. ASWELL. Yes.

Mr. KETCHAM. I am sure all members of the committee agree that as the representative of a cotton-growing district the gentleman speaks with authority when he speaks about cotton, and, in view of his well-known information and ideas in connection with that crop, I wish he would repeat, in connection with the statement just made, what in his judgment would be the necessary amount of the equalization fee to adequately care for cotton under the terms of the Haugen bill?

Mr. ASWELL. It would amount to practically nothing in controlling the cotton surplus unless the fee were fixed at a figure amounting to \$10 or \$15 a bale.

Mr. LANHAM. Will the gentleman yield?

Mr. ASWELL. Yes.

Mr. LANHAM. I understood the gentleman to say this surplus would be bought at 15 cents per pound or at any rate not below the cost of production. Does the gentleman have in contemplation the varying cost of production in the various Cotton States?

Mr. ASWELL. Oh, yes.

Mr. LANHAM. How could a cost of production be determined that would be fair to the various States?

Mr. ASWELL. Perhaps I did not make the statement clear. I said the object of the board was not to seek to purchase below the cost of production, but to offer a fair price at the time, which might be 15, 18, or 20 cents a pound.

Mr. LOWREY. Will the gentleman yield?

Mr. ASWELL. Yes.

Mr. LOWREY. What are the commodities included in the gentleman's bill?

Mr. ASWELL. The five basic commodities, the same as the Haugen bill, except that I have added tobacco. [Applause.]

Mr. LOWREY. Here is what I want to bring out about overproduction: If there is a surplus of cotton this year that has to be carried over, the fact that this organization would be ready to act as to some other commodity next year would at least give encouragement to pass from cotton to some other commodity?

Mr. ASWELL. It might.

Mr. JACOBSTEIN. Will the gentleman now yield for a question?

Mr. ASWELL. I think I have used as much time as I ought to take.

Mr. JACOBSTEIN. It will only take a minute and I am very much interested in the point the gentleman raised about overproduction.

Mr. ASWELL. I think I should close because other gentlemen want time.

Mr. BLANTON. I think the gentleman is using his time very well. The gentleman is letting us have some light on this proposition.

Mr. ASWELL. I will answer the question of the gentleman.

Mr. JACOBSTEIN. Let us assume your statement is correct—

Mr. ASWELL. It is correct.

Mr. JACOBSTEIN. Let us assume that it is—that production acreage at least will be controlled by this board which you establish.

Mr. ASWELL. Yes.

Mr. JACOBSTEIN. What is the cotton farmer going to do with that acreage? I am not sufficiently acquainted with the subject to know.

Mr. ASWELL. He will plant it in peanuts, grapes, or anything else. Cotton lands will grow anything.

Mr. JACOBSTEIN. Actually, what do you think he will do? Will he raise corn?

Mr. ASWELL. He can raise corn and alfalfa.

Mr. JACOBSTEIN. But they tell us there is too much corn being raised now.

Mr. ASWELL. He will plant some of the acreage in the feed and food crops that he needs himself.

Mr. BANKHEAD. Let me answer that part of the question, if the gentleman will permit, so far as the Southern States are concerned.

Mr. ASWELL. I yield to the gentleman from Alabama.

Mr. BANKHEAD. For the benefit of my friend from New York I may say that I heard an official statement made at a meeting a few nights ago that the six Southern States east of the Mississippi River are annually importing from other sections of the country feed stuffs and foods to the extent of \$1,500,000,000.

Mr. JACOBSTEIN. Will not that create an aggravated surplus in these other sections? That is just the point I have in mind. I am asking the gentleman for information; as a member of the Agricultural Committee, has not evidence been produced before the committee showing there are surpluses in these other fields?

Mr. ASWELL. That would lead to diversification in the other States, which would be a good thing. They would have to grow less of the feed stuffs.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. ASWELL. I yield to the gentleman from Tennessee.

Mr. GARRETT of Tennessee. I should like to ask the gentleman this question and have his opinion upon it. There are undoubtedly many of us here who feel with the gentleman that the Haugen bill means nothing for cotton. I can not see where it really pretends to mean anything for cotton. If it does mean anything to these other products, taking wheat specifically, a basic breadstuff—if it does not mean something in the way of increasing the price, there is nothing to the bill, and if it does mean that, what effect will it have in that cotton section of the country which now buys 90 per cent of its food and feed products. Doing nothing for cotton whatever, if it worked at all as to these other products, will it not increase the price of the foodstuffs that they buy?

Mr. ASWELL. It will increase the cost of production of the cotton man so as to destroy him.

Mr. BLANTON. Will the gentleman yield for one other question?

Mr. ASWELL. Yes.

Mr. BLANTON. The equalization fee, of course, is nothing but a tax.

Mr. ASWELL. That is true.

Mr. BLANTON. The Haugen bill last year levied the equalization fee or the tax against the farmer who sold and prescribed a penalty if he did not pay it. The bill now levies that equalization fee against the man who buys the farmers' products. What is the difference?

Mr. ASWELL. None whatever.

Mr. BLANTON. It is all on the farmer, after all?

Mr. ASWELL. The farmer pays the bill.

Mr. BLANTON. And the penalty will be on the farmer?

Mr. ASWELL. Absolutely.

Mr. ALLGOOD. Will the gentleman yield?

Mr. ASWELL. Yes.

Mr. ALLGOOD. You spoke of the buying or retiring of 5,000,000 bales of cotton at this time to help the cotton farmer. Is it not a fact that this surplus in the main is now held by cotton buyers or cotton speculators?

Mr. ASWELL. Largely so; some considerable amount of it is in the warehouses of the cooperatives, but we can not help that. The Congress did not meet in time.

Mr. ALLGOOD. There would be no restraint, then, on the cotton farmer to not plant, if it is all out of his hands?

Mr. ASWELL. All we can do is to take care of him next year.

Mr. SUMMERS of Washington. Will the gentleman yield?

Mr. ASWELL. Yes.

Mr. SUMMERS of Washington. Will the gentleman tell us why he included tobacco in his bill?

Mr. ASWELL. Because my bill will work 100 per cent on tobacco. This corporation will work 100 per cent strong on tobacco.

Mr. EDWARDS. Will the gentleman yield for one other question?

Mr. ASWELL. Yes.

Mr. EDWARDS. Is this equalization fee in the Haugen bill left optional with the farmer who pays it or is it compulsory?

Mr. ASWELL. It is compulsory, but left optional as to where the board will assess it.

Mr. EDWARDS. But when it is assessed, it becomes absolutely compulsory?

Mr. ASWELL. Absolutely.

Mr. BRAND of Georgia. Does it decide when to assess it?

Mr. ASWELL. Yes.

Mr. SHALLENBERGER. Will the gentleman yield?

Mr. ASWELL. I think I had better stop.

Mr. SHALLENBERGER. I have only a question or two. I have been very much interested in the gentleman's very able explanation of the operation of his bill and the McNary-Haugen bill. I think the House wants to understand the situation.

I gathered from what the gentleman said that the corporation provided in his bill, if it had been in operation, would have raised the price of cotton to 15 cents a pound, and, as I understand it, the McNary-Haugen bill would have raised it to 15 cents a pound through the board. If there is a loss because of that price, would it be charged back to the cotton raisers?

Mr. ASWELL. The McNary-Haugen bill does not propose to raise the price of cotton at all. It only assesses a fee and then contracts with somebody to buy. My proposition is to have the corporation buy it outright.

Mr. SHALLENBERGER. Then what would become of the loss that would result?

Mr. ASWELL. There would not be any loss. My corporation would buy it, say, at 15 cents a pound and hold it until the price went to 18 cents or 20 cents a pound.

Mr. SHALLENBERGER. You have the faith to believe that it could be held until it went to 18 or 20 cents a pound?

Mr. ASWELL. Yes.

Mr. SHALLENBERGER. How long would you have to hold it?

Mr. ASWELL. Perhaps only a week or two.

Mr. SHALLENBERGER. Is not the only difference between the two propositions this: Under your plan the loss which is bound to be incurred if you raise the price above the normal price in the country will fall upon the corporation, whereas under the other plan the farmer pays his share from the profits that he enjoys.

Mr. LANKFORD rose.

Mr. ASWELL. I can not yield any further, but I must answer the gentleman from Nebraska [Mr. SHALLENBERGER]. Is the gentleman through now?

Mr. SHALLENBERGER. I will wait until you get through.

Mr. ASWELL. I am going to make this statement and then I will have to yield the floor.

Mr. LANKFORD. I have one question I would like to ask the gentleman.

Mr. ASWELL. It has been asserted here time after time that the American farmers want to be taxed with the equalization fee. You will remember that there are three great national farm organizations in the United States having a paid-up membership of about 1,200,000 members—the Grange, the Farm Bureau, and the National Farmers' Union. The Grange has 700,000 of that membership, and they are united against the Haugen bill and against an equalization fee. One of the other organizations is for the bill, and the other one has never indorsed it. It is not true that the farmers want to be taxed with this fee. If every organization in America were for the fee, it would amount to about one-fifth of the total of the farmers of America, and the other four-fifths are against it.

It is not true that these agitators have convinced the American farmer that if he will be taxed with the equalization fee, then by the waving of some magic wand or by some Houdini sleight-of-hand performance, the Haugen bill would convert the tax into a profit. It is not true that the American farmers are for the Haugen bill.

Mr. SHALLENBERGER. They are in my country.

Mr. ASWELL. Well, they have been educated to it.

Mr. SHALLENBERGER. We have the most educated and the most productive farmers of any section in the country.

Mr. ASWELL. They do not know anything about any other bill. The lobbyists of your section are all for the Haugen bill. It offers 156 jobs.

Mr. SHALLENBERGER. Now, one more question—

Mr. ASWELL. I can not yield any further. Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from Louisiana has consumed 50 minutes.

Mr. ASWELL. Mr. Chairman, I yield 25 minutes to the gentleman from North Carolina [Mr. KERR], 10 minutes from my time and 15 minutes from the gentleman from Kansas [Mr. TINCHER].

FARM RELIEF LEGISLATION

Mr. KERR. Mr. Chairman, the American Congress has now under consideration, in my opinion, the most important economic question which this Nation ever dealt with. I refer, Mr. Chairman, to those matters which propose legislation in behalf of those engaged in agricultural pursuits in this country. I should be very happy in my time and in this service by which I have been honored, through the confidence and generosity of a patriotic constituency, to contribute to that effort on the part of the conscientious membership of this, the greatest legislative body on earth, which has for its purpose the guarantee by law of economic equality and consummate justice to this element who till our soil and contribute so much to the moral and material worth of this Republic.

It is always most interesting to recur to the wisdom and the ideals of Thomas Jefferson; the concepts of this statesman will ever be the polestar of our economic as well as political achievement. On one occasion, he wrote his contemporary and friend, Robert Livingston, that agriculture was "the first and most precious of all arts." To Washington, his fellow builder, he said:

Agriculture is our wisest pursuit, because it will in the end contribute most to real wealth, good morals, and happiness.

To Mr. Silvestre he wrote:

Agriculture is the most useful of the occupations of man.

And in correspondence with Baron De Moll he again paid his respects to the importance of this industry, stating that—agriculture is the basis of the subsistence, the comfort, and the happiness of man. * * *

Did not Jefferson's profound wisdom and prophetic vision foresee the peril which now threatens this "precious fine art," and "most useful of the occupations of man"?

American genius and our unparalleled natural resources have given us a position of industrial supremacy; the United States and its possessions embrace but 6 per cent of the area of the world and within this area there is but 7 per cent of the population of the world, and yet we now control one-half of the world's business and economic activity. I assert, without fear of contradiction, that it has not been political liberty so much as economic liberty that has enabled us to attain this supremacy. That which is true of the United States of America is true of the world; the institutions of a people are but the reflection of the economic foundations upon which they are built, this inevitably determines the politics, the industry, the morals, and the religion of a nation. Men care but little about the form of government under which they live as long as they are industrially free. The economic environment has always and will ever determine the destiny of a nation. Poverty and misery are the handmaids of revolution, and revolution has destroyed every civilization known to mankind. [Applause.]

Centuries ago the center of civilization shifted from the valley of the Euphrates to Egypt and Palestine, thence to Greece, where, 500 years before Christ, it gave birth to a philosophy, a literature, and an art that has remained the inspiration of subsequent centuries, thence to Rome, and from the seven hills on the Tiber this city expanded until she was the "mistress of the world." During the first centuries of the Republic of Rome, each individual owned as much land as he could cultivate, upon each farm there was a farmer who was a citizen soldier, and this farmer-soldier was not only willing, because of his industrial freedom, to fight for his home and his household, but he was also willing to extend the domain of his beloved republic; the land belonged to the people, it was the *ager publicus*, and every Roman felt secure in his industrial as well as his political freedom. Human nature, always the same in every age, when it loses its power of self-mastery, falls an easy prey to selfishness, avarice, and greed. The economically powerful, incited by exploitation in conquered territory, now in control of the Roman Senate, which was constituted solely by the moneyed, landed, and creditor class, would not stay its vicious hand until, through unjust and discriminatory laws, it had reduced to peonage this citizen soldier and honest yeoman. Ninety-eight per cent of the wealth of Rome had been garnered into the coffers of 2 per cent of its population, its economic liberty was no longer its pride and power, and it inevitably fell a prey to barbarians. Poverty and misery has never and will never defend a nation nor preserve its civilization. [Applause.]

"When Rome fell," says Marcus Philippus, "there were not 2,000 individuals in the commonwealth who were worth any property."

Ill fares the land to hastening ills a prey
Where wealth accumulates and men decay.

By the end of the sixteenth century the bulk of the land in England had passed from the possession of the people into the great holdings, high rents and high taxes were imposed upon the English farmer, and he was reduced to economic slavery. Political and religious persecution dislodged a large per cent of the very finest type of our English forefathers and led to the settlement of America, beginning in the seventeenth century. In these later years the emigrants which have come in hordes to this land have principally come from those countries where economic freedom has been denied by force of law. This injustice promotes viciousness and contempt for law and order, and when a human being is dominated by such a sentiment he is a most undesirable factor in any body politic.

Mr. Chairman, the great war between the States of this Union was a conflict between the divergent economic systems of the North and the South, and even the most solemn sanction of the Constitution, which guaranteed to every citizen the right to his property wherever he chose to go, could not prevent it.

America offers a mirror of the evolution of the western world from the expansion of Rome to date, and this Nation though only 150 years old reveals in no uncertain way the course of universal history. Very naturally we ask ourselves, Is this the last stand of civilization? Century by century the

process of nation-building has repeated itself, ever the details the same. Is life just one circle followed by another, wherein one generation through sacrifice and efficiency build, and another generation through selfishness and greed destroy? Be we ever so optimistic, these are serious questions, and this is a serious time. The wisest man said:

How much better is it to get wisdom than gold! and to get understanding rather to be chosen than silver!

There is an element in our Nation which unceasingly proclaims that we are prosperous, and that the status quo of our national life is just what it should be, that economic freedom abounds, and that we are safe upon the way of greater achievement. I am willing to concede that three of the pillars of our economic activities are prosperous; our present Federal banking system, and those institutions through which we negotiate our financial obligations, these, vouchsafed by Federal law and regulation, are most prosperous; and the 12 Federal reserve banks, about which this whole system revolves, themselves reveal a profit of many millions annually. Our transportation system, now organized and directed by Federal law, is prosperous beyond the dream of the most avaricious, and has just recently announced an annual net income of more than \$1,000,000,000. The manufacturing industries of this country with few exceptions are most prosperous, and those best organized and best protected by the tariff laws have but recently declared dividends which disclose that these industries are more prosperous than ever before in the history of the country. Mr. Chairman, there is a one-third of the population of this country which is not engaged in these prosperous economic activities. This is the American farmer; he is the other pillar to this superstructure of our national welfare and security. It is true that a chain is no stronger than its weakest link; neither is a table any stronger than its weakest leg or pillar. But a glance at the economic condition of the farmer of this country, in my opinion, discloses that unless something is done by legislation to aid him in the stabilization of his crop prices and the control of his production in order that he may secure a fair profit upon his labor and investment, this industry is doomed to bankruptcy; and the farmer himself, once the pride and strength of this Nation, will be reduced to peonage. In the face of the facts it is idle to argue against this inevitable finality. [Applause.]

I do not understand that the American farmer is asking more at the hands of this Government than that which has been extended to every other industrial activity. You allow this pillar of our economic life to crumble and go to destruction, the superstructure will topple and all business will be seriously affected, if not totally destroyed. I apprehend that selfishness and predatory wealth would like to prey upon this unorganized element in our national life some longer; they think, and justly so, that it is from this element they derive a large per cent of their profits. I warn you that the destruction of the agriculture interest in this Nation spells your destruction, if history repeats itself.

May I not quote again the wisdom of Thomas Jefferson? In his first inaugural address he said:

The encouragement of agriculture and commerce, its handmaid, I deem one of the essential principles of government, and consequently one which ought to shape its administration.

In his first annual message he said:

Agriculture, manufacture, commerce, and navigation, the four pillars of our prosperity, are most thriving when left most to individual enterprises. Protection from casual embarrassments may sometimes be seasonably interposed.

To the great lawyer John Jay he wrote:

An equilibrium of agriculture, manufactures, and commerce is certainly most essential to our independence.

To Thomas Leiper he wrote:

I trust that the good sense of our country will see that its greatest prosperity depends on the due balance between agriculture, manufactures, and commerce.

If I should be called upon to name five of the greatest democrats in our history—I refer to ideals and not a political party—I should include in this number Theodore Roosevelt. He said:

If there is one lesson taught by history, it is that permanent greatness of any State must ultimately depend more upon the character of the country population than anything else. No growth of cities, no growth of wealth, can make up for a loss of either the number or the character of the farming population.

And, again, he said:

In every great crisis of the past a peculiar dependence has had to be placed upon the farming population, and this dependence has heretofore been justified. But it can not be justified in the future if agriculture is permitted to sink in the scale as compared with other employment.

In common justice to the agricultural life of America, this Government should endeavor to right the wrong of the deflation panic of 1920. This was nothing less than the assassination of the American farmer's business. [Applause.] The policy inaugurated by an agency of our Government laid its ruthless hand of destruction upon the crop prices of America and wrecked 2,000,000 happy homes, and left in its wake bankruptcy, suicide, and buried hope. The debt of the American farmer is to-day \$14,000,000,000. His property and crop values, as compared with the predeflation period, has decreased since then \$30,000,000,000.

This is one-tenth of the value of the wealth of this Nation; it is ten times as much as the debt of this Nation in 1900; and it is more than our national debt was immediately after the World War. In 1923 the national income of the United States, the annual wealth produced, was \$70,000,000,000, the farmer had one-fifth of the wealth engaged in the production of this annual income and one-third of the population engaged in its production, and yet he only realized 14 per cent of this income, and his percentage of this income is less now than then. Crop prices have decreased to below the cost of production, and the farmers' average earnings per annum is just one-half as much as the average earnings of the other laborers of America. With this decrease of property values and income, the farmers' taxes in this Nation have increased 236 per cent within the last 10 years. Most of his income now is consumed in payment of taxes and interest on his indebtedness; his family is neither fed, clothed, nor educated as it should be, and his property is passing away from him by foreclosure sales each day; even our Federal land banks, which I believe have been of great service to the landowners of the Nation, have been compelled to foreclose 5,000 homes occupied by farmers in order to satisfy loans made to them aggregating more than \$18,000,000. Most of these foreclosure sales have occurred within the last four years, and these are but a small per cent of the total farm foreclosure sales in our "prosperous" (?) country. How long must this continue before our once proud and honest yeomanry is reduced to economic slavery? Not long, gentlemen, not long!

In my opinion, it would be utter stupidity for this Government not to attempt through legislation to bring the price level of farm products to the price level of those things the farmer has to buy. I realize that any and all legislation in respect to this effort is an experiment. I am willing and anxious to support either of the bills prepared to this end and which are now being considered by this Congress. I have carefully studied each of the bills; there are provisions in each of them to which I do not subscribe. But realizing as I do, that the gentlemen who prepared these measures were conscientiously endeavoring to meet a national crisis and bring relief to the American farmer, I do not feel that I can afford to dally with so serious a proposition. God knows I would rather help than hinder. [Applause.]

I assert again in this forum, the personnel of which, in my opinion, was never more intellectual nor more eager to render faithful service to those who have intrusted us to represent them here, that if it is to be the fixed policy of this Government through Federal legislation to vouchsafe prosperity to three of the now well-defined great economic pillars of our industrial life, then there can be no excuse whatever not to endeavor to extend this policy to the other great economic pillar, agriculture, not to do so would be criminal, nothing less.

It is not true, as some assert, that the farmer's condition is due to his own laziness, thriftlessness, and bad management; the fact is that, although the farmer has abandoned the farm because the industrial occupations offered a much larger income to him and his family, nevertheless those who have remained upon the farm have been sufficiently industrious and intelligent, and who are now comparatively a much smaller per cent of our population than 25 years ago, to produce in volume and in value per capita much more than he ever did. This can not be said of any other American laborer; every other class of labor, though receiving now the highest prices ever realized, make less time and produces less than ever. I should be glad, if I had time to do so, to discuss this fact. It simply illustrates what organization can accomplish; and I do not undertake to criticize organized labor. In my opinion it has been justified in making most of its demands. There are some who would deny

the farmer legislation, because, as they see this matter, his trouble is that he now produces too much, and certainly this can not be attributable to laziness, thriftlessness, or bad management. And so—

You will and you won't, and you will be damned if you do, and you will be damned if you don't.

The stabilization of farm-product prices and the orderly marketing of farm crops would not materially affect the prices to the consumer. The food, the clothing, and the luxuries which the consumer ultimately uses is just as costly as when the farmer and producer received a profit upon his production and when the purchasing power of the farmer's dollar was equal to that of any other business. A comparison of retail prices reveals this fact without further argument.

The American farmer is a failure in one sense, and this consists in his utter inability to organize. If you would stop to think about it, it might be a very serious thing for him to perfect an organization which, resenting the fact of his long injustice and exploitation, and dominated by selfishness, would engage in this game of injustice and exploitation himself; I think you can contemplate the seriousness of such a state of facts. He feeds not only this country, but others; he produces the raw material which furnishes occupation for those engaged in a large percentage of our industries. Suppose the American wheat grower should say to-morrow: "I shall not seed any wheat crop for 1927, save for my own family consumption," and the world knew he meant what he said; in 24 hours the price of wheat would be \$3 per bushel. Suppose the cotton grower of the South would announce that not a seed of cotton would be planted in the South in 1927 and the world knew he was sufficiently organized to carry into effect this pronouncement; in 24 hours cotton would be worth 50 cents a pound and business in the four corners of this earth would clamor for every pound on the market. And this is so of every other basic agricultural commodity produced in this country. When the day comes that the farmer himself can control the production of these commodities, then he will ask nothing at the hands of this Government.

Gentlemen, so far as we can, let us go to the limit of good sense and patriotism to serve the American farmer. In the crisis which faces us we should not, in my opinion, hesitate to pass a farm relief bill; if we neglect to do this, the farmer, laboring under a sense of injustice done him, will find a way to readjust the economic and political life of this country, and when he does, it will be a sad story for special privilege and that political party which fosters injustice and sanctions the prey of the mighty upon the weak. [Applause.] Plato said that a democratic form of government was impossible, that it could not exist very long; many years afterwards Cicero concurred with this great statesman, and he, too, said that republics would all go out in mob rule, because ultimately the few and mighty would oppress and exploit the masses, and they in turn would destroy the government. Thomas Jefferson said that our form of government was the only ideal one, provided you would safeguard it by making the people universally intelligent; then one class could not exploit another. Not to adjust the problems which now arise in our national life would be tantamount to the admission that we were not sufficiently intelligent to do so. This is no time nor is this country any place for economic injustice. We need solidity and strength for each of the great pillars of our economic life; this and nothing less will guarantee to us peace, prosperity, and progress.

In conclusion, may I not quote another great democrat, Abraham Lincoln, who said in an address before the Wisconsin Agricultural Society:

Let us hope that by the best cultivation of the physical world beneath us, and the best intellectual and moral world within us, we shall secure an individual, social, and political prosperity and happiness, whose course shall be onward and upward, and which, while the earth endures, shall not pass away.

[Applause.]

Mr. KINCHELOE. Mr. Chairman, I yield 15 minutes to the gentleman from Oklahoma [Mr. SWANK].

Mr. SWANK. Mr. Chairman and gentlemen of the committee, people often wonder why there is no official ear for the appeal of the farmers of this Nation. The great special and favored interests of this country of ours have no trouble nor hesitancy in getting a favorable hearing on legislation of interest to them. This Government was founded upon those eternal principles that all people are equal before the law; that among the inalienable rights vouchsafed our people are "life, liberty, and the pursuit of happiness." Upon these broad principles of humanity the agricultural interests should receive the same consideration at the hands of Congress and the administration as is given other business. The farmers of the country are ask-

ing no special consideration and have never done so. All they ask is to be treated upon the same plane as our other industries, and but for the special favors enjoyed by big business there would now be no call for farm legislation. The farmers can do business successfully, as other lines of business, if they are treated like other citizens and combinations of capital. They want to see other business prosper, for they are believers in the general welfare, and contribute to all the prosperity of our people.

Mr. Chairman, many times have I called the attention of this House and this administration to the need for agricultural legislation to put the farmers on a plane with other business. Is not their business as important as that of others? Ah, Mr. Chairman, it is much more important, for all that we eat, all that we wear, is produced by the farmers upon the farms. Let them quit work for one day and a famine would result. No one can even imagine the results if the farmers should all take a holiday and rest a while. Their business, therefore, is the most important of all and the basis of all industry. And yet you can help all others, but when the farmers or their representatives in this great body call your attention to the gross inequalities given them no official ear is turned to catch the sound.

This, the second session of the Sixty-ninth Congress, convened in regular session the 6th day of December, 1926, and no word yet favorable to agriculture has emanated from the White House nor the offices of the spokesmen and leaders of this Republican administration. I came to Congress April 11, 1921, and have repeatedly called your attention, as other Members have done, to the need of doing something for our farmers. This is all important and should not be political in its nature, for laws that are good for the members of one political party to live under are good for all. We are all citizens first and partisans afterwards. I mention this administration because the Republican Party has been in complete control of the House and Senate, the President and Cabinet, and all branches of Government since March 4, 1921.

The country knows this, and the responsibility rests where it should. The President of the United States and the Republican leaders can enact legislation for the farmers any day that you so desire. You have had complete control of all departments of the Government for the past six years, and let me ask why you have not done something for agriculture? Why have you not acted to remove the inequalities between the recipients of special legislation and our farmers? The farmers may not contribute so generously to the Republican campaign funds as those who have made so many millions by special laws enacted by this administration, but they have contributed as much and more to the good of the country and the upbuilding of our citizenship. Mr. Chairman, the country is not deceived. The people know where the fault lies, and perhaps by 1928 they will be so aroused as to rise in their wrath and smite the political party that has refused and still continues to refuse to give them a square deal. I recall the great majority of the Republican Party in 1920, and again in 1924, and some of the Republican leaders seem to think the results of those elections are license to continue your program of favored legislation for a few "big boys," but the country is aroused as never before. Here we are now nearing the 4th day of March, when this Congress adjourns, and what do we hear from the White House? Who of those political leaders says that something will be done for the farmers? They have the right to expect legislation to save them and their business, and it can be done; it should be done now. Congress could have enacted legislation for agriculture before the holidays, and would have done so if the administration had been favorable. What do you intend to do now? Give the farmers something that they do not want? They know what they want and what will do the work of restoring their markets. Never before have the farmers of the United States been in the condition that we find them now. Some can say they are doing well, but those of us who know them and farm conditions know that they can not continue in this manner much longer. Everyone but the administration leaders knows their circumstances and the unequal conditions under which they labor.

There is no use to dwell upon the condition of our farmers and the depression generally in agriculture. Each Member of this House well knows the difficulties confronting the farmer and the many obstacles in his path. You know how he has to meet unfair competition and how his prices for the products of his toil are fixed for him in the markets. When he buys the necessities of life he must pay the price asked, and when he sells he has to take what is offered. The manufactured articles from his own products are fixed for him. He is the only business man who has nothing to say about what he must take for what he sells and what he must pay for what he buys. What other business establishment could continue to do business upon

that basis? What would the manufacturer say if his prices were fixed in this way for him? Well, he would do just what he does now—he would tell this administration what to do to protect him. Whenever there is prosperity the farmers are entitled to their share, for they contribute more than any other business.

Why are not the farmers entitled to some consideration at the hands of this administration? They work and toil almost day and night. They love their families the same as other people, and want to educate their children like the rest of our citizens. They want to furnish them with good food and proper clothing. The farmers have the same feelings, are fired by the same ambitions for their children as others, and are impelled by the same motives. They should have sufficient prices for the products of their toil that would enable them to have a holiday occasionally like city folks. They should receive prices that would enable them to lay aside something to care for their families and themselves in their old age. Some say that they spend too much, that they sometimes have an automobile or a radio. Well, are they not as much entitled to these as others? Why are they begrudged a Ford and other conveniences of life? One thing certain, they have not had much to spend since the advent of this Republican administration. While the farmers are in the hot suns of summer chopping cotton or plowing corn, others who "toil not, neither do they spin," are having a good time. The farmers are just as much entitled to some of the comforts of life as those who are protected by special laws like the tariff, which enables the manufacturer and the Steel Trust to fix their own prices, and that is the cause of their great prosperity under this administration. They take the products of our farms and mines and have the manufactured article protected by laws. That is why they can in a few years pile up such huge fortunes.

While the favored interests are protected by special laws enacted for their particular benefit, our farmers must plod along in the same way and do the best they can. Then, when an appeal is made for him for laws which will place him in the same situation as these others, we hear the cry that he must work out his own salvation. This slogan would be all right if Congress did not enact special laws for our other industries. If you can do it for these, why not do something for the farmers? Gentlemen of the House, we should go back to that old doctrine of "Equal rights to all and special privileges to none." No business can continue long at a loss, but the farmers are expected to continue to produce the necessities of life at a loss. They can not continue in that way and you can see them every day by the hundreds leaving the farm and going to town to enter other lines of work. They work and slave on the farm, without enjoying themselves as others, and are seeking new fields of work. They pay taxes the same as others, and generally more in proportion to their property, for all that they have can be seen, and they do not have property hidden away from the eyes of the law and investments in nontaxable bonds and other securities. Yes; all the property of the farmer is visible and he must pay his taxes. There is no refund for him; that is for big business, the people with the big incomes, but the farmers must help pay these refunds. Oh, yes; you say that not many farmers pay an income tax under the Federal laws, but let me call your attention to the fact that every time he buys a farm implement containing iron or steel, when he buys sugar and clothing, he pays a tax under the name of "tariff," and therefore does contribute to the upkeep of the Government and pays his Federal taxes in that way. These are the invisible taxes that he pays. He now realizes that he is taxed under that name and it should be referred to the same as other taxes.

I am now going to present some figures showing some of the conditions of agriculture. From these figures, furnished by the Department of Agriculture, something of what it costs the farmers to produce the staple crops can be seen.

In the Crops and Markets Monthly Supplement, published by the United States Department of Agriculture, we find the following figures on the production costs of corn and wheat:

Net cost per bushel

	1922	1923	1924	1925
CORN				
North Atlantic States.....	\$0.83	\$0.87	\$1.02	\$0.87
South Atlantic States.....	.83	.85	.97	.96
East North Central States.....	.56	.61	.75	.56
West North Central States.....	.53	.54	.70	.59
South Central States.....	.75	.88	.88	.99
Western States.....	.67	.66	.88	.83
United States.....	.66	.68	.82	.69

Net cost per bushel—Continued

	1922	1923	1924	1925
WHEAT				
North Central States.....	\$1.35	\$1.24	\$1.42	\$1.32
South Atlantic States.....	1.60	1.60	1.60	1.50
East North Central States.....	1.17	1.11	1.15	1.29
West North Central States.....	1.03	1.24	.97	1.23
South Central States.....	1.44	1.32	1.18	1.49
Western States.....	1.09	1.09	1.20	1.19
United States.....	1.23	1.24	1.22	1.32

The Agricultural College of North Dakota stated that wheat production costs varied from \$2.47 per bushel in 1919 to \$1.49 in 1923.

The American Farm Bureau Federation, with headquarters in Washington, gives estimates on the production costs of corn and wheat as follows:

Cost per bushel

	1924	1925
Corn.....	\$0.82	\$0.74
Wheat.....	1.22	1.58

Circular 340 furnished by the Department of Agriculture May, 1925, says that replies to the questionnaire from 11,238 farmers all over the United States on the cost of corn production in 1923 show an average cost of 68 cents per bushel, and 66 cents per bushel in 1922. This circular also states that the average sales value of corn per bushel in 1923 was 81 cents. Many items of expense, I believe, were not included, such as hauling the corn to market, where this average price of 81 cents per bushel was received.

The Monthly Supplement of Crops and Markets, June, 1926, says that reports from 6,182 farmers distributed fairly well over the United States indicate that the average cost of producing the 1925 corn crop on their farms was 69 cents per bushel, and the average cost of producing wheat on 3,759 farms was \$1.32 per bushel. This bulletin says that the cost figures include charges for labor of the farmer and his family, and a charge for the use of land on a cash-rental basis. This report also states that if the cost just equaled the price, the farmer was paid for his time and his investment. But, Mr. Chairman, it is not stated in arriving at these figures whether the cost of labor for the farmers' wives and children was just during the time they were in the field, or when the wife was doing her many household duties; whether it includes taxes, interest on his working capital, depreciation of his farm machinery, and many other items that should be taken into consideration.

On the question of cotton production, these same circulars say that reports were received from 2,519 farmers on the cost of cotton production, and that 407 of these reports showed yields from 101 to 140 pounds per acre, averaging 124 pounds. The statement says that the average cost of production on these 407 farms was 22 cents per pound lint. The Monthly Supplement, June, 1925, states that the cost of producing cotton varied from 7 cents per pound to 51 cents per pound. The Monthly Supplement, June, 1926, shows that cotton reports were received from 1,405 farmers, but the greater number were from growers having yields above the average, and that farmers who reported yields of 101 to 140 pounds per acre lint produced cotton at an average cost of 21 cents. This statement also says that these reports, while limited in number, indicate that farmers who had average yields in 1925 produced at an average cost of about 18 cents per pound.

Cotton News, published by the American Cotton Association, at St. Matthews, S. C., gives the following estimates on the producing cotton for 1925 by States:

The average for the United States:	Cents per pound
1923.....	29
1924.....	27
1925.....	25

This publication gives the following estimates on cost of producing cotton for 1925 by States:

Cost of production per pound	Cents
North Carolina.....	26
South Carolina.....	30
Georgia.....	29
Florida.....	21
Alabama.....	26
Mississippi.....	24
Louisiana.....	24

	Cents
Texas.....	28
Arkansas.....	26
Tennessee.....	23
Missouri.....	26
Oklahoma.....	23
Arizona.....	21

Mr. Chairman, these varied estimates and figures show the difficulty of arriving at an accurate estimate, and it is my candid judgment that the estimates on farm production costs are too low in almost all cases. You can realize the difficulties with which the department has to deal in gathering the data from which their estimates are made. They do the best they can and all the costs are difficult to obtain. In most cases the price received for cotton is less than cost of production and some of these reports so say.

PRODUCTION COSTS

A bulletin published by the Agricultural College of South Carolina says in the Anderson area, the acre cost of cotton, including rent on land, averaged about \$42 for both years, 1922 and 1924, and varied on individual farms from about \$30 to approximately \$70. This report says the cost of lint cotton per pound averaged 20.4 cents in 1922 and 14.5 cents in 1924. It says the best farmers produced cotton in 1924 for 13.3 cents per pound, and that the cost on farms having the lowest operators' earnings in 1924 was above 16 cents per pound in practically every case, being as high as 40 cents on some farms.

Following is a statement from the College of Agriculture of the University of Arkansas on cotton production costs:

Cost of producing cotton in Arkansas in 1926 with average yield of 200 pounds lint cotton per acre

Items of cost:	Acre basis
Seed, 1 1/4 bushels, at \$1.....	\$1.25
Man labor, except picking, 5.5 days, at \$2.....	11.00
Picking, 640 pounds seed cotton, at \$1 per 100.....	6.40
Horse labor, 5 days, at \$1.50 per day.....	7.50
Ginning, bagging, and ties, at \$6 per bale.....	2.40
Fertilizer and manure.....	2.00
Implement and machinery charge.....	3.00
Miscellaneous.....	1.00
Use of land.....	5.00
Total cost per acre.....	39.55
Credit 400 pounds cotton seed, at \$1.....	4.00
Net cost per acre.....	35.55
Cost per pound of lint.....	17.8 cents

A preliminary report published by the Department of Agriculture July, 1925, on cost of producing cotton in 15 selected areas in 1923, gives the net cost per pound lint, as follows:

Johnson County, N. C., 12 cents; Darlington County, N. C., 18 cents; Green County, Ga., 22 cents; Sumter County, Ga., 34 cents; Madison County, Ala., 32 cents; Chilton County, Ala., 25 cents; Madison County, Miss., 31 cents; Bolivar County, Miss., 35 cents; Lee County Ark., 57 cents; Faulkner County, Ark., 30 cents; McIntosh County, Okla., 25 cents; Grady County, Okla., 16 cents; Rusk County, Tex., 17 cents; Ellis County, Tex., 13 cents; Lubbock County, Tex., 10 cents.

Bulletin No. 237, by the Mississippi Agricultural College, estimates the cost of cotton production per pound average, on 17 farms in Choctaw County for 1925, at 10.2 cents per pound, and the average cost on a different number of farms in the same county in 1924 at 15 cents per pound.

The preliminary estimates on wheat-production costs for 1926 by the Agricultural College of North Dakota gives the cost of wheat production at \$1.12 in 1925 and \$1.51 in 1926. It also makes the following statement:

Based upon normal relationships of yield to cost, the following figures represent approximately the cost per acre and per bushel for various yields of wheat in 1926:

Yield per acre	Cost per acre	Cost per bushel
4	\$8.15	\$2.04
8	11.25	1.41
12	12.95	1.08
16	14.05	.88

Bulletin 199 furnished by this college shows the production costs per bushel of wheat as follows:

1919.....	\$2.46
1920.....	1.82
1921.....	1.43
1922.....	.83
1923.....	1.26
1924.....	.81
1925.....	1.12

The Agricultural College of Iowa, in a report on 23 of the Iowa County farms, shows the corn production costs per bushel

in 1925 to vary from 27.6 cents to 71.7 cents, the average being 40.9 cents. The report says the farms on this cost-accounting route are better than the average, the average yield of corn for the county in 1925 being 47 bushels per acre and the average on these 23 farms being nearly 63 bushels.

The College of Agriculture of the State of Missouri estimates the cost of producing wheat per bushel in 1926 at \$1.35 and the cost per bushel for corn at 69 cents.

The Department of Agriculture of the State of Minnesota estimates the production costs in 1926 of spring wheat at \$1.31 per bushel and for corn at 52 cents per bushel.

The College of Agriculture of the University of Wisconsin estimates the production costs of corn in 1925 at 88 cents per bushel.

These figures show the various estimates on crop production costs in the different sections of the country.

Any person who is familiar with cotton or any other agricultural product can approximate the cost of production in his particular neighborhood. Some people who do not know about cotton think that when the cotton farmer gets 20 cents per pound that he is becoming wealthy.

Suppose an average family produces 10 bales of cotton, which is a large production, at 20 cents per pound. That would bring him \$100 per bale, or \$1,000 for his crop. If he is a renter—and most of our cotton producers are—he must pay the landlord one-fourth, or \$250, which leaves a balance of \$750 for himself and family. Figuring his labor the same price as it would cost him to hire a hand to do the work, and that would cost at least \$35 per month and board, which would run to about \$50 per month, or \$600 per year. Then the hire for his team and tools would cost him another \$20 or \$25 per month, or at least \$250 per year. Then allow his wife the same rate of pay as it would cost to hire a woman to do her work, and that would cost another \$30 per month at the lowest, and her board, and this would make \$360 per year. This shows a cost to this farmer of \$1,210, or a loss of nearly \$500, not counting the work of his children, taxes, interest, depreciation of his invested capital, food and clothing for his family, and feed for his stock. Figure as you will and you can not figure the cotton farmer except at a loss in his work for the past several years.

Gentlemen of the House, how much longer do you think the farmers can continue to do business at this rate? Why not help them out of their difficulties? If we can not lower the tariff and remove other inequalities caused by specially enacted legislation, we should enact a law that will place the farmers on an equality with others. No one believes the tariff can be lowered until a new administration is installed, and that can not possibly happen before 1929—three more long years of injustice for the farmers unless something is done at this session. There is no serious effort being made to reduce the tariff so the farmers can purchase their machinery and other necessities of life without this unjust tariff tax. The manufacturers have their tariff protection, the railroads the protection of the Interstate Commerce Commission, created by Congress, and it sees that the railroads get a reasonable return on their invested capital; the national banks have the protection of the Federal reserve system, but farm legislation must meet the cry of special legislation and economically unsound; and if neither of these are sufficient to defeat such legislation, then it is unconstitutional. That has always been the cry raised against all legislation for the common people of this country and against all organizations for the promotion of the happiness and comfort of those who toil.

When the farmers have their crops reduced by bad weather or any other cause, some say that they should produce more; and when they produce more, then the cry is that they should curtail production. No, Mr. Chairman, they have not let up on their work, as will be seen from the following statement from the Department of Agriculture showing the production and value of cotton, wheat, and corn for the past eight years:

	Production	Value
Cotton (bales):		
1926.....	18,618,000	\$1,016,346,000
1925.....	16,103,679	1,465,434,000
1924.....	13,628,000	1,540,884,000
1923.....	10,081,000	1,563,347,000
1922.....	9,964,000	1,151,846,000
1921.....	8,340,000	674,877,000
1920.....	13,439,603	933,658,000
1919.....	11,420,763	2,034,658,000
Wheat (bushels):		
1926.....	832,305,000	997,589,000
1925.....	669,365,000	947,993,000
1924.....	862,627,000	1,120,787,000

	Quantity	Value
Wheat (bushels)—Continued.		
1923.....	782,000,000	\$725,501,000
1922.....	856,211,000	864,139,000
1921.....	794,893,000	737,068,000
1920.....	833,027,000	1,197,263,000
1919.....	968,279,000	2,080,686,000
Corn (bushels):		
1926.....	2,645,031,000	1,703,430,000
1925.....	2,900,581,000	1,956,325,000
1924.....	2,312,745,000	2,270,594,000
1923.....	3,029,000,000	2,222,013,000
1922.....	2,890,712,000	1,900,287,000
1921.....	3,081,251,000	1,305,624,000
1920.....	3,230,532,000	2,168,768,000
1919.....	2,816,318,000	3,768,516,000

From these figures it will be seen that, while the production of cotton in 1919 was 4,682,916 bales less than in 1925, the value of the crop in 1919 was \$569,224,000 more than in 1925, and \$1,018,312,000 more than the 1926 crop of 7,197,237 more bales, as per the last estimate by the Department of Agriculture. When the farmers work harder and produce more, they receive less for that extra work. Some will say that is caused by the surplus he has increased by his labor. What we want now is for Congress to enact legislation to help market that surplus. They are unable to control their surplus as is done by the large manufacturing concerns. It will also be noted that prices do not change in this manner with factory products. What the farmers should have in the way of prices for their work and toil is a reasonable profit above their production costs. And when this cost is determined, there should be considered taxes, groceries, clothing, stock feed, depreciation of his invested capital, the price of his labor and that of his work stock, the price of labor for his wife and that of his children. Everything that goes into his cost and farm work should be taken into consideration, as is done by our business concerns. Our farm women work as hard as the men, and their work should be included in these costs at just what it would cost to hire some one to do their work. If all these items are considered, you will see that their costs of production are much too low. You well know their present condition, but I want to again call your attention to the report on the Haugen bill submitted by Mr. HAUGEN, the chairman of the Committee on Agriculture. That report shows that the rate of farm failures from 1910 to 1924 is an increase of more than 1,000 per cent, in contrast to commercial failures, and that capital invested by farmers decreased from \$47,000,000,000 in 1920 to \$32,000,000,000 in 1925, a loss of \$3,000,000,000 per year.

The report of Mr. HAUGEN says:

During 1926 the condition of agriculture passed from bad to worse. The year closed with the farmers' purchasing power lower than the average for 1923, 1924, or 1925.

Total farm-crop value in 1926 was \$1,148,000,000 less than that of 1925 and \$1,532,137,000 less than that of 1924. The cotton crop alone showed a decline in value of \$581,324,000, compared with the year before. The corn crop decreased in value \$263,331,000, and the spring wheat-crop value dropped \$125,889,000. The index of grain prices in December, 1926, was 20 points lower than it had been one year before.

In its value for the purpose of paying for the goods and services which cotton farmers buy, cotton is bringing about one-half its average value the five years preceding the war.

The chairman in his report further says:

As a result of high costs and impaired income of the farmer, the total farm indebtedness in the United States, which was estimated at \$4,320,000,000 in 1910, has grown to \$12,250,000,000 in 1920 and stands at approximately that figure to-day.

The total value of all farm property in 1913 was \$45,227,000,000; in 1920, \$79,607,000,000; and in 1925, \$59,154,000,000.

The number of bank failures in 1924 (915) was 42.5 per cent larger than the number of failures in 1893 (642). The number of failures for the period 1920-1925, inclusive (2,494), was greater than the number of failures during a period of 26 years up to 1920 (2,424).

The administration and the exponents of special privilege can point to the great waves of prosperity sweeping over the country, but tell it to others than farmers. They can not be fooled by such reports so far as their industry is concerned. In the Sixty-seventh Congress you were going to increase the price of his crops by passing the emergency tariff on farm products, but that law has not been mentioned in this Chamber for so long that it is almost forgotten. You have helped the manufacturers of the East, the Steel Trust, and these large organizations and combinations of capital, but where have you

helped the farmers? You can fool them no longer with your speeches on tariff prosperity. What has the Fordney-McCumber tariff law done for agriculture? Since the enactment of that law our agricultural exports have been reduced from \$3,466,619,819 in 1920 to \$2,130,000,000 in 1925 and \$1,892,000,000 for the fiscal year 1926. Under this Republican tariff law there has been a loss in the farmers' exports of \$1,336,619,819 in 1925 and \$1,574,619,819 in 1926. With a large export trade we have better prices, and in order to have an export trade we must have imports as well. In 1920 the total exports of the United States amounted to \$8,100,000,000, which has been reduced to \$4,500,000,000 in 1925 under the Fordney-McCumber Republican tariff law, and our total exports for 1926 amounted to \$4,808,465,000. No one will contend that our export trade can be increased in this way—by erecting a tariff wall so high that foreign countries can not trade with us. They have products that we need and we must have a place to dispose of our so-called surplus. There is really no surplus in our farm products. When there is a surplus of cotton, for instance, every man, woman, and child in the United States must have sufficient clothing for comfort at all seasons of the year, and each of our citizens must have sufficient bread before there is a surplus of wheat.

During the 12 months ending June, 1925 and 1926, our exports of cotton, corn, and wheat, with the value of each product, is shown in the following table from the June summary of foreign commerce:

	Quantity	Value
EXPORTS		
Cotton (bales):		
1926.....	7,901,316	\$917,719,940
1925.....	8,204,941	1,060,980,107
Corn (bushels):		
1926.....	23,137,389	21,371,248
1925.....	8,460,120	10,629,339
Wheat (bushels):		
1926.....	63,188,602	97,664,211
1925.....	195,490,207	306,605,563
IMPORTS		
Cotton (bales):		
1926.....	323,000	50,209,847
1925.....	310,000	50,640,343
Corn (bushels):		
1926.....	635,231	710,056
1925.....	4,617,319	4,149,901
Wheat (bushels):		
1926.....	15,506,600	21,513,104
1925.....	6,169,193	8,580,269

From these figures it will be seen that our imports of cotton, wheat, and corn for 1925 and 1926 have been small, and where the amount is so negligible no tariff tax, however high it may be, can be of any benefit to the producers of those products. The emergency tariff, by which you were going to raise the price of wheat and corn, is still there and did the farmers no good. The farmers receive no benefits from the tariff on what they produce, but the manufacturers profit to the extent of millions which they never earn, but enrich their pockets by the highest and most unfair tariff law ever written by an American Congress.

The census of manufacturers for 1923 shows the value of products for that year—at factory prices—of manufacturing establishments as follows:

	Cost of materials	Value of products	Value added by manufacture
Agricultural implements.....	\$63,492,000	\$151,286,000	\$87,794,000
Metal and metal products.....	1,767,072,000	2,634,031,000	866,959,000
Chemical and allied products.....	3,680,407,000	5,706,866,000	2,026,459,000
Leather and its manufactures.....	1,083,345,000	1,880,085,000	796,740,000
Lumber and allied products.....	1,666,188,000	3,633,034,000	1,966,846,000
Iron and steel and their products.....	4,162,918,000	6,828,841,000	2,675,923,000
Textiles and their products.....	5,408,424,000	9,487,184,000	4,078,760,000
Food and kindred products.....	6,990,846,000	9,524,051,000	2,533,205,000
All industries.....	34,705,698,000	60,555,998,000	25,850,300,000

These figures show the enormous prices added by the manufacturers to their cost of material. The Fordney-McCumber tariff law enables them to gather these great profits by keeping out competition, and all this at the expense of the consumers of this country. You can do it for these, but not for the farmers. Why should the farmer be compelled to pay the prices asked by the manufacturers and then take what they offer him for his products? But for the protection afforded these favored men by this Republican administration the

farmers could purchase their necessities at a more reasonable price. When do you propose to put them on an equality with those whom you protect so well? You can do as much for the farmers when you so desire. Are you going to continue to do nothing for them, as you have done for the past six years?

The tariff beneficiaries talk long and loud of the wonderful results to the farmers by a high tariff law of protection. Let us see further how it helps the farmer.

Harness is on the free list, and the value of harness and saddles imported into the United States in 1925 amounted to only \$156,969. Plows and cultivators imported in 1925 (free of duty) amounted to 3,856, valued at \$285,445. There were imported 116 threshing machines, valued at \$95,316, and all other imports of agricultural machinery and implements (duty free) for that year amounted to \$2,173,392. The farmers know that this high tariff keeps out imports and enables the manufacturer in this country to charge all he can get. You can not fool them by placing these articles on the free list, for such a small amount are imported.

Concerning a tariff on agricultural products and the benefits derived by our farmers, let me quote from the stalwart Republican Senators, Senator Cummins, of Iowa; Senator CAPPER, of Kansas; and Senator McCumber, of North Dakota. Senator Cummins said:

It is idle for even an enthusiast to assert that the price of these products is directly affected by the protective tariff.

Senator CAPPER said:

It will not be long before he—the farmer—will be demanding a reduction of the protective tariff, which keeps up the price of the manufactured articles he consumes.

And one of the authors of the present tariff law, Senator McCumber, a former Republican Senator from North Dakota, said:

The wheat acreage to-day is producing a surplus of wheat, which must be thrown into the world's markets, thereby keeping down the price of the home product, tariff or no tariff.

Mr. Chairman, the opinions of these three leading Republican Senators on the benefits derived by the tariff do not agree with the opinion of the present Republican leaders.

I now wish to call your attention to a part of the Republican platform of 1920 relating to agriculture:

The farmer is the backbone of the Nation. National greatness and economic independence demand a population distributed between industry and the farm and sharing on equal terms the prosperity which is wholly dependent upon the efforts of both. Neither can prosper at the expense of the other without inviting joint disaster. The crux of the present agricultural condition lies in prices, labor, and credit.

The Republican Party believes that this condition can be improved by practical and adequate farm representation in the appointment of officials and commissions, * * * the scientific study of agricultural prices, and farm-production costs at home and abroad, with a view to reducing the frequency of abnormal fluctuations; * * * the encouragement of our export trade.

In your platform of 1924 you made this promise:

We recognize that agricultural activities are still struggling with adverse conditions that have brought deep distress. We pledge the party to take whatever steps are necessary to bring back a balanced condition between agriculture, industry, and labor. We affirm that under the Republican administration the problems of the farmer have received more serious consideration than ever before, both by definite Executive action and by congressional action, not only in the field of general legislation, but also in the enactment of laws to meet emergency legislation.

The restoration of general prosperity and of the purchasing power of our people through tariff protection has resulted in an increased domestic consumption of food products, and the prices of many agricultural commodities are above the world price level by reason of direct tariff protection.

You have done nothing during the past six years, since you have had complete control of all branches of the Government, to keep those promises to the farmers of the country; and what do you propose to do now?

On the question of freight rates, the report of the Secretary of Agriculture for 1926 says:

Farm-commodity prices, especially in areas distant from markets, are seriously depressed by high freight rates. There have been no freight-rate reductions of importance on agricultural commodities in the last year. The Department of Agriculture's index of freight rates indicates that they are still 58 per cent higher than before the war.

What rail transportation charges sometimes mean to the farmer can be realized from an illustration or two. It costs 26.4 cents to ship a bushel of wheat from Wichita, Kans., to the Gulf of Mexico. It costs 27.8 cents a bushel on the average to ship wheat from the spring-wheat area to the Atlantic seaboard.

A statement from the Interstate Commerce Commission shows the net revenue from railway operations, as follows:

	Net revenue
1921	\$969,346,226
1922	1,162,779,249
1923	1,412,962,592
1924	1,304,206,157
1925	1,470,037,742
1926	1,614,247,269

Yes, Mr. Chairman, the Secretary is right when he says that farm prices are seriously depressed by high freight rates and that there has been no reduction in freight rates of importance on agricultural commodities the last year.

From the above figures from the Interstate Commerce Commission it will be seen that the railroads are making more money and larger profits than ever before. Gentlemen of the House, I believe in all lines of legitimate business making a reasonable profit above the capital invested and work done. The railroads should have a reasonable return on their investment, as all honest business should have. I want to see all business prosper, but those investments are well looked after by this administration. Yes, we have the Interstate Commerce Commission to regulate freight rates, but no commission to help prices and profits for the farmers. Why does not this administration reduce freight rates on agricultural products? You have the Congress and the President, and yet you have done nothing to lower freight rates the past year, with agriculture so depressed. You can take care of the railroads and other big business, but can do nothing for the farmers. Why do you not act, for you can relieve the situation?

The annual report of the Comptroller of the Currency for 1926 says that 91 national banks, with aggregate capital of \$5,412,500, were placed in charge of receivers during the year ended October 31, 1926, and that information furnished by the States show that during the fiscal year ended June 30, 1926, there were 496 failures of State and private banks, with total liabilities of \$147,823,000, an increase of 56 failures over the previous year, and also an increase of \$29,095,000 in liabilities. And yet, Mr. Chairman, some of our big papers are continually telling of our prosperous times. Prosperous to whom, gentlemen of the House? Not to the agricultural interests and to the moderate business man.

The Secretary of Commerce, in his annual report for 1926, says:

One of the main functions of the Department of Commerce is promoting foreign trade. International trade has become a vital part of the whole modern economic system. Export enables us to use our resources and energy to the full; by creating a wider range of customers it gives to each production unit greater stability in output and greater security for the workers. * * * Our standard of living is absolutely dependent upon certain import commodities. * * * Finding foreign markets is thus a major task both for American business and of the American Government.

And yet, Mr. Chairman, this Republican administration has greatly reduced our foreign trade by means of the present high tariff law. The Secretary says finding foreign markets is one of our major tasks. You can not have export trade unless you have import trade.

The Washington Post, of December 17, 1926, carried these big headlines:

Two hundred million dollar stock dividend is issued by the United States Steel. Melon of 40 per cent on common stock voted to stockholders. Rates are raised by other concerns.

The article says that this enormous sum of \$200,000,000 came as a Christmas gift to the stockholders. It then gives the enormous profits made by other business organizations of large capital. The United States Steel Corporation is one of the largest beneficiaries of the tariff law. But, Mr. Chairman, what Christmas gift do you propose to hand the farmers of our country? Why rejoice over these immense profits, unearned and unjustified, when the farmers are in such a depressed condition? Why not give them an equal chance with the United States Steel Corporation? You can do it for them and why not for the farmers? For the past six years you have continued to hand out unjustifiable profits to the great combinations of capital of the East as Christmas gifts, and, while taking the farmers' products at less than what it costs to produce them, you do nothing for them.

It is time for the farmers to arouse themselves as never before. All they need is solid, compact, central organization, and then they will not ask in vain. If they will all "get together" in their organization work, they will not always receive a deaf ear when they ask equal protection of the law.

I want to see the farmers placed upon the same plane with other business, and that is all that they ask. They are as industrious as any of our people and should receive just and fair treatment. I want to see them given an opportunity to make a fair profit from their labor and investment, and be given the privilege to enjoy with their families the fruits of their labor.

Mr. Chairman, in the Sixty-eighth Congress I supported to the best of my ability the Haugen agricultural relief bill, and again supported this bill in the first session of this, the Sixty-ninth Congress. I again voted to report the bill to this House for its consideration. I am of the same opinion as before on the merits of this bill. The hardest hit of our farmers in 1926 were our cotton farmers. Cotton prices were far below the cost of production. Many fields are unpicked for the reason that they will not pay the cost of picking.

Gentlemen of the House, each Member is entitled to his own opinion, and I am again expressing mine concerning this legislation. I fall out with no man for his opinion and question no person's motives. In my candid judgment the enactment into law of the Haugen bill in the last session of Congress would have solved the cotton problem. That bill provided an appropriation of \$375,000,000 with which to handle cotton, corn, wheat, cattle, and swine, and \$100,000,000 of this amount was to be used in marketing cotton. Under the terms of the bill the board could not begin operations on cotton until a substantial number of organizations representing cotton farmers desired such operation. In other words, the operation of the board on cotton was left in the hands of the cotton farmers themselves. In the case of corn, wheat, cattle, and swine the board would begin operations when it found that there is or may be a surplus above domestic requirements and that the price is materially lower in the United States than in the principal export markets of the principal competing foreign countries, plus the tariff duty and charges in transportation from such market to the United States, and that such surplus renders inoperative the tariff upon such commodity.

That bill provided that there would be no equalization fee nor any tax of any kind on cotton for a period of two years, 1926 and 1927, and the \$100,000,000 was offered us by the terms of the bill without interest. And remember that no equalization fee could attach to cotton for two years, and then only if the farm organizations, as mentioned, desired the board to handle their cotton. I do not believe there should be an equalization fee on cotton, for any man experienced in growing and marketing cotton would handle that fund and never lose a penny. The opportunities are much better for a profit than a loss. I have been reared in the Cotton Belt and know something of that product. Last fall the bankers of the Cotton Belt met in convention to raise a fund for the purpose of handling the surplus cotton of our country. What did they intend to do with that fund? Take some of the surplus cotton off the market, of course, was their intention and they are to be commended for that action. That is exactly what would have been done under the terms of the Haugen bill, except there would be no interest to pay. In my judgment, if this bill had been in operation last fall, cotton would not have sold under 20 cents per pound, and some say that 25 cents would have been the minimum price. The cotton farmers are harder hit than ever before, and you sit idly by and do nothing for them nor any other of our farmers. That bill, I believe, would have saved the cotton farmers a loss of at least 8 cents per pound, or \$40 per bale. On a crop of 18,000,000 bales, that would have been a saving to them of \$720,000,000. And remember that both your last presidential platforms promised help to the farmers. Also remember that the Republican Party has had full and complete control of all branches of government for six years.

The present Haugen agricultural relief bill was introduced in the House December 20, 1926, and on Wednesday, January 5, 1927, the Committee on Agriculture convened to begin hearings on a farm-relief measure. The Haugen bill was reported favorably to the House for consideration, and I trust that a majority of the membership of this House will vote to pass the bill. It is similar to the other Haugen bill which was defeated in the last session of Congress. The principal points of difference are that in the present bill no reference is made to the tariff, and the equalization fee on cotton is not deferred for two years, as was done in the other bill. Then the other

Haugen bill provided an appropriation of \$100,000,000 for cotton and \$375,000,000 in all. This bill provides an appropriation of \$250,000,000 which shall be administered by the board and used as a revolving fund for basic agricultural products provided in the bill. This measure creates a Federal farm board which shall consist of the Secretary of Agriculture and 12 members, one from each of the 12 Federal land bank districts, appointed by the President of the United States, by and with the advice and consent of the Senate, from lists of eligibles submitted by the nominating committee from the district.

The nominating committee consists of five members from each of the 12 Federal land-bank districts. Four of the members of the nominating committees in each district shall be elected by the bona fide farm organizations and cooperative associations in such district at a convention of such organizations and associations to be held at the office of the Federal land bank in such district, and one of the members of the nominating committee in each district shall be appointed by the Secretary of Agriculture. Each of the appointed members of the board shall receive a salary of \$10,000 per year, to be paid out of the Treasury of the United States. The members of each nominating committee shall serve without salary, but may be paid by the Federal farm board a per diem compensation not exceeding \$20 per day for attending meetings of the committee. The bill provides the usual general powers and requires the board to make annual reports to Congress. The board is given power to appoint and fix the salaries of a secretary, such experts, and other employees as may be necessary. The board shall meet at the call of the chairman, who is selected by the board, or of the Secretary of Agriculture, or of a majority of its members. Each nominating committee shall meet as soon as practicable after the approval of this act, organize, and submit a list of three eligibles from its district for appointment to the board. The term of a member of the nominating committee shall be two years, and of a member of the board six years, except those first appointed to the board four shall be for two years and four for four years.

The board must create for each basic agricultural commodity an advisory council of seven members, representative of the producers of such commodity. These members shall be selected by the board annually from lists submitted by cooperative marketing associations and farm organizations determined by the board to be representative of the producers of such commodity. The members of this council shall serve without salary, but may be paid by the board a per diem not exceeding \$20 per day. The board shall determine the amount of the equalization fee required to pay the losses on each basic agricultural commodity. The board shall determine whether the equalization fee shall be collected upon transportation, processing, or sale of such commodity.

The basic agricultural products of this bill are cotton, wheat, corn, rice, and swine. The bill also provides that the board may operate on other agricultural products. The board can act on agricultural products as follows: (1) When it finds that there is or may be during the ensuing year a surplus above the domestic requirements for wheat, corn, rice, or swine; (2) a surplus above the requirements for the orderly marketing of cotton or of wheat, corn, rice, or swine, and that both the advisory council for such commodity and a substantial number of cooperative associations or other organizations representing the producers of such commodity favor the full operation of the board in the stabilization of such commodity, then the board shall publicly declare its findings and commence operations on a date fixed by the board and published in such declaration.

The bill provides that any decision of the board relating to the commencement or termination of such operations shall require the affirmative vote of a majority of the appointed members in office, and the board shall not commence or terminate operations in any basic agricultural commodity unless the members of the board representing Federal land-bank districts which in the aggregate produced during the preceding crop year more than 50 per cent of such commodity vote in favor thereof.

Under the terms of the bill the board during operations shall assist in removing or withholding or disposing of the surplus of the basic agricultural commodity by making agreements with cooperative associations, or with a corporation or association created by one or more of such cooperative associations, or with persons engaged in processing such product.

In the case of cotton the board shall issue to the producer a serial receipt which shall be evidence of the participating interest of the producer in the equalization fund for the commodity. A stabilization fund is provided for each basic agri-

cultural commodity to be administered by the board. Advances to the stabilization fund shall be made from the revolving fund of \$250,000,000 authorized in the bill and also equalization fees and profits. Repayments to the revolving fund for amounts advanced to the stabilization fund, with interest at 4 per cent per annum, are provided. The bill provides that when the equalization fund for cotton is in excess of the amount adequate to carry out the provisions of the act, and that the collection of further equalization fees on cotton is likely to maintain an excess, the board may retire the outstanding receipts which show a participating interest in such fund. The board is also authorized to make loans from the revolving fund to cooperative associations engaged in the purchase, sale, or storage of agricultural products.

Much can be accomplished by the farmers uniting further in the formation of cooperative marketing associations. These associations reporting to the Department of Agriculture at the end of 1925 showed a total membership roll of 2,700,000 producers. This is an increase from 651,000 since 1915. The total business of the organizations in 1915 was \$635,800,000 and in 1925 it amounted to \$2,400,000,000. I am glad to see this healthy growth. The farmers must organize for their own protection, and this bill will stimulate cooperation among farmers.

I believe this board of able, conscientious, and experienced men in the production, sale, and handling of agricultural products will make a great success of this bill. It is my judgment, after much study and research, that it will never be necessary to levy an equalization fee on cotton, for I believe that the board will more likely make a profit than a loss on cotton. I have picked, marketed, and sold many a bale of cotton, and by further study know something of this product, as I do of the other products in the bill. It is the cotton farmer, and not the dealer, that is hurt most by low prices.

When the large cotton exchanges and other organizations, who control cotton prices and the prices of the other agricultural products, know that this board is appointed, with the power this bill gives them to assist the American farmer, there will be no effort to reduce prices by those who do not produce the product. They will know that the Government of the United States is behind our farmers to see that they get a square deal. If this bill is enacted into law, as it should be, and in the early fall, when cotton is first beginning to be marketed, the price goes down, then if the board announces its intention to handle cotton you will see the price become more stable. If that announcement will not prevent the price from falling below the cost of production, it will be prevented when the board begins operations on cotton and begins to buy the product.

In the Sixty-seventh Congress you gave Russia \$20,000,000 of the money of the people of the United States, and in the first session of this, the Sixty-ninth Congress, with the consent and approval of the President, you canceled, or in other words gave, the Italian Government, in settlement of the debt she owed us, \$1,500,000,000 of the people's money. You appropriated \$395,000 to build bathing beaches for the pleasure of the people of Washington with the money of all the people, and you gave Philadelphia in the last session \$2,186,000 for her fair last summer. The administration can approve these items, the expense of which is saddled on all our citizens, and yet you can do nothing for the American farmer.

The chairman of the Committee on Agriculture, in his report on this bill, says:

Total Federal net costs for the United States Shipping Board have amounted to approximately \$2,800,000,000. Government losses growing out of the Federal control of railroads amounted to approximately \$2,000,000,000.

The appropriation recommended in this bill for agriculture is small, indeed, when compared to the above items.

The farmers of the country know what they want, and they want this bill. Some say it will not work. Well, gentlemen, it will not work unless it receives a majority vote of Congress and the approval of the President. I think it is time that we try to see if something will not work. We can not all have our way entirely. There are provisions in the bill that I would like to see out, as, for instance, the equalization fee, and especially the fee on cotton. I would, at least, like to have that fee on cotton deferred two years, as was done in the bill last session. We can not all get everything we want in a bill, but let us take the best that we can get. My fellow colleagues, I appeal to you in behalf of our American farmers to do something for them, and do it now. I appeal to the President of this great Republic and to the Republican leaders to act now. Agriculture

can not continue in this manner much longer. We should pass this bill and give them an equal chance with others. [Applause.]

Mr. KINCHELOE. Mr. Chairman, I yield to the gentleman from Oklahoma [Mr. McKEOWN] five minutes.

The CHAIRMAN. The gentleman from Oklahoma is recognized for five minutes.

Mr. McKEOWN. Mr. Chairman and gentlemen of the committee, I will take a little of your time at this moment to call attention to a proposed amendment which I offer in good faith as a friend of this legislation. I voted for the Haugen bill at both sessions of Congress when I had opportunity to vote for it. I want to explain to you this amendment. When it comes to vote on the section of this bill that deals with the question of whether they will go into an operating period I want to offer this amendment, and I submit it to you now for your consideration:

Provided, That both the advisory council hereinafter created for the commodity and a substantial number of cooperative associations or other organizations representing the producers of the commodity favor the stabilization of the commodity by the board declaring a standard of production for a given 12-months' period, then said board shall have power to declare that the quantity of said product produced during the standard period by any producer shall be the amount of said product for which the producer may receive a certificate.

Now, that is simple, although you may think it is complicated. But here is the proposition: Suppose that at any time this board should go on and levy an equalization fee on all the product, and the board determines that too much is being produced. It gives the board the right to say that the amount of wheat raised during the year 1923, or any particular year, would be the standard for a given year, the amount of wheat produced by each wheat farmer that year should be the standard for the year 1928 or any year, and the equalization fee would go on the product that is produced over that amount. And the same is true with cotton. Then I will show you something else:

If any producer is unable to declare the amount of his production during the standard period, or if he shows that his production during that period was abnormal due to pests, weather conditions, or any other reasonable cause, then his standard shall be a quantity that will not exceed the amount per acre allotted to producers tilling similar soil during said period.

In other words, he shows that his crop for that year did not produce the usual amount. Then his standard shall be the quantity that does not exceed the amount produced on similar soil during that period. In other words, his standard will be the amount usually made in that year. Then again:

If any producer can show that prior to the declaration of the standard production he had entered into a bona fide future contract for the sale and delivery of a quantity of such product in excess of his normal standard as fixed by the board and that such contract specifies that the product to be delivered is from his own production, then he may be allowed as his standard such quantity in addition to his normal standard as will be required to fulfill his contract.

If any producer shall show that he desires a standard greater than his normal standard or that he desires a standard for his first production year, he shall give all information required by the board and shall receive a standard certificate for a reasonable amount of said product, according to the circumstances.

In other words, if the man desires to raise more than his normal amount, by showing that his indebtedness is such-and-such and by showing that such conditions would warrant him in having an additional standard, the board would grant to him this additional standard. Then again:

If any producer shall be aggrieved at the standard fixed in his certificate he may have the amount determined by arbitration by three producers of said product residing in his county, he may choose one, the board one, and these shall choose a third, and their decision shall be final.

Now, listen:

The board may make such rules and regulations as shall be necessary to make local application of this proviso throughout the United States.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. McKEOWN. Will the gentleman from Indiana give me two minutes in which to finish reading this amendment?

Mr. PURNELL. I will give the gentleman a minute and a half.

The CHAIRMAN. The gentleman from Oklahoma is recognized for one minute and a half.

Mr. McKEOWN. I read again:

The board may make such rules and regulations as shall be necessary to make local application of this proviso throughout the United States and cooperate with the Department of Agriculture in the use of the agencies of said department in putting this proviso into operation; and may collect the "equalization fee" hereinafter referred to at the time and manner and for the purposes hereinafter set forth during the operation period upon all surplus production of any such commodity over the standard amount for which certificates shall be issued and upon all such commodity not covered by a standard certificate.

Now, gentlemen, that provision will safeguard this legislation, in my judgment, from being overturned by augmenting the price, then cause increased production, which would cause great difficulty. It would leave it optional with the board. This is simply an additional power granted to this board.

I will say to you that it has been submitted to some men familiar with this bill and they say it is a provision that would safeguard this legislation. I offer it not in the sense of criticism, but in an effort to be of some service, if I can, in promoting this legislation. [Applause.]

Mr. PURNELL. Mr. Chairman, I am informed that the Speaker desires to lay before the House a communication that will take about 30 minutes to read. I had intended to move to rise at 4.30. If the gentlemen on the other side have no one else to yield to, I will move to rise now.

The CHAIRMAN. The gentleman from Indiana moves that the committee do now rise. The question is on agreeing to that motion.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MAPES, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having under consideration the bill (H. R. 15474) to establish a Federal farm board to aid in the orderly marketing and in the control and distribution of the surplus of agricultural commodities had come to no resolution thereon.

PRESIDENT'S MESSAGE—NAVAL ARMAMENT (H. DOC. NO. 703)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, with the accompanying papers, was referred to the Committee on Foreign Affairs and ordered printed:

To the Congress of the United States:

Pursuant to my instructions the American ambassadors at London, Paris, Rome, and Tokyo will to-day present to the Governments of Great Britain, France, Italy, and Japan a memorandum suggesting that they empower their delegates at the forthcoming meeting of the preparatory commission for the disarmament conference at Geneva to negotiate and conclude at an early date an agreement further limiting naval armament, supplementing the Washington treaty on that subject and covering the classes of vessels not covered by that treaty. I transmit herewith, for the information of the Congress, a copy of this memorandum.

I wish to inform the Congress of the considerations which have moved me to take this action.

The support of all measures looking to the preservation of the peace of the world has been long established as a fundamental policy of this Government. The American Government and people are convinced that competitive armaments constitute one of the most dangerous contributing causes of international suspicion and discord and are calculated eventually to lead to war. A recognition of this fact and a desire as far as possible to remove this danger led the American Government in 1921 to call the Washington conference.

At that time we were engaged in a great building program which, upon its completion, would have given us first place on the sea. We felt then, however, and feel now that the policy we then advocated—that of deliberate self-denial and limitation of naval armament by the great naval powers—promised the attainment of at least one guaranty of peace, an end worthy of mutual adjustment and concession.

At the Washington conference we found the other nations animated with the same desire as ourselves to remove naval competition from the list of possible causes of international discord. Unfortunately, however, it was not possible to reach agreements at Washington covering all classes of naval ships. The Washington treaty provided a specific tonnage limitation upon capital ships and aircraft carriers, with certain restrictions as to size and maximum caliber of guns for other vessels. Every nation has been at complete liberty to build any number of cruisers,

destroyers, and submarines. Only size and armament of cruisers were limited. The signatories of the Washington treaty have fulfilled their obligations faithfully and there can be no doubt that that treaty constitutes an outstanding success in its operation.

It has been the hope of the American Government, constantly expressed by the Congress since the Washington conference, that a favorable opportunity might present itself to complete the work begun here by the conclusion of further agreements covering cruisers, destroyers, and submarines. The desirability of such an agreement has been apparent, since it was only to be expected that the spirit of competition, stifled as regards capital ships and aircraft carriers by the Washington treaty, would sooner or later show itself with regard to the other vessels not limited under the treaty. Actually, I do not believe that competitive building of these classes of ships has begun. Nevertheless, far-reaching building programs have been laid down by certain powers, and there has appeared in our own country, as well as abroad, a sentiment urging naval construction on the ground that such construction is taking place elsewhere. In such sentiments lies the germ of renewed naval competition.

I am sure that all governments and all peoples would choose a system of naval limitation in preference to consciously reverting to competitive building. Therefore, in the hope of bringing about an opportunity for discussion among the principal naval powers to ascertain whether further limitation is practicable, I have suggested to them that negotiations on this subject should begin as soon as possible.

The moment seems particularly opportune to try to secure further limitation of armament in accordance with the expressed will of the Congress. The earnest desire of the nations of the world to relieve themselves in as great a measure as possible of the burden of armaments and to avoid the dangers of competition has been shown by the establishment of the preparatory commission for the disarmament conference, which met in Geneva last May, and which is continuing its work with a view to preparing the agenda for a final general conference. For more than six months representatives of a score or more of nations have examined from all points of view the problem of the reduction and limitation of armaments. In these discussions it was brought out very clearly that a number of nations felt that land, sea, and air armaments were interdependent and that it would be difficult, if not impossible, to agree upon the limitation of one type of armament without simultaneously limiting the other types.

The consequence to be feared is that a deadlock will be reached, should even partial progress in the reduction of armaments be conditioned upon the acceptance of some universal plan covering land, sea, and air forces together. If the prospective deadlock can not be broken, it is probable that little progress will be made for the time being. It appears to me to be the duty of this Government, which has always advocated limitation of armaments, to endeavor to suggest some avenue by which concrete results may be achieved, even though such results may be short of an ultimate ideal solution for the three-fold problem of land, sea, and air armament.

Our delegates at Geneva have consistently expressed the view that under conditions as they exist in the world to-day the problems of land and air armaments are most susceptible of solution by regional agreements covering regions within which the land or air armaments of one country could constitute a potential threat to another country. Geographical continents have been suggested as regions appropriate for land and air limitation agreements.

The American land and air force constitute a threat to no one. They are at minimum strength; their reduction has been suggested by no one as a necessary condition precedent to general arms limitation. This reduction of our land forces has been rendered possible by our favored geographical position. I realize that the problems of armaments on land and in the air in Europe are beset with difficulties which in all justice we must recognize and, although this Government will always be ready to lend its assistance in any appropriate way to efforts on the part of European or other Governments to arrive at regional agreements limiting land and air forces, it would hesitate to make specific proposals on this subject to European nations.

The problem of the limitation of naval armament, while not regional in character or susceptible of regional treatment, has been successfully treated, in part, by an agreement among the five leading naval powers, and, in my opinion, can be definitely dealt with by further agreements among those powers.

It will be a contribution to the success of the preliminary work now going on at Geneva should the great naval powers

there agree upon a further definite limitation of naval armament.

It is my intention that the American representatives at Geneva should continue to discuss with the representatives of the other nations there the program for a general limitation of armaments conference. If such a conference should be possible in the future, on a basis generally acceptable, this Government would, of course, be highly gratified. Pending the formulation of the plan for such a general conference, however, I believe that we should make an immediate and sincere effort to solve the problem of naval limitation, the solution of which would do much to make the efforts toward more general limitation successful.

CALVIN COOLIDGE.

THE WHITE HOUSE, February 10, 1927.

HOUSE BILL PRESENTED TO THE PRESIDENT

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that this day they presented to the President of the United States for his approval the following bill:

H. R. 11601. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors, and so forth.

LEAVE OF ABSENCE

By unanimous consent, Mr. REED of Arkansas was granted leave of absence for to-day, on account of illness.

ADJOURNMENT

Mr. PURNELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 35 minutes p. m.) the House adjourned until to-morrow, Friday, February 11, 1927, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Friday, February 11, 1927, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON APPROPRIATIONS

(10.30 a. m.)

Second deficiency bill.

COMMITTEE ON BANKING AND CURRENCY

(10.30 a. m.)

To incorporate the Federal reserve pension fund, to define its functions (S. 3657).

COMMITTEE ON THE DISTRICT OF COLUMBIA

(10 a. m.)

To provide for the elimination of the Michigan Avenue grade crossing in the District of Columbia (H. R. 7287).

To provide for the elimination of grade crossings of steam railroads in the District of Columbia (H. R. 11120).

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

956. A communication from the President of the United States, transmitting supplemental estimate of appropriation for the Department of the Interior, Bureau of Indian Affairs, for the fiscal year ending June 30, 1927, for enlarging and improving the plant at the Wahpeton, N. Dak., Indian school (H. Doc. No. 699); to the Committee on Appropriations and ordered to be printed.

957. A communication from the President of the United States, transmitting supplemental estimate of appropriation for the Department of Agriculture for the fiscal year 1927, to remain available until June 30, 1928, for preventing the spread of the European corn borer, \$10,000,000 (H. Doc. No. 700); to the Committee on Appropriations and ordered to be printed.

958. A letter from the Assistant Secretary of Labor, transmitting report of the department of the miscellaneous material in the Bureau of Immigration, Bureau of Labor Statistics, and the United States Employment Service which will be of no further use in the transaction of official business and do not possess historical interest; to the Committee on Disposition of Useless Executive Papers.

959. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the Department of Agriculture for the fiscal year 1927 for insect control on the national forests, \$25,000; for investigations

concerning insecticides and fungicides, \$35,000; and for eradication of pink bollworm of cotton, \$35,000, amounting in all to \$95,000; and a draft of proposed legislation relating to the erection of a building for the Weather Bureau at Lansing, Mich. (H. Doc. No. 701); to the Committee on Appropriations and ordered to be printed.

960. A letter from the Secretary of Labor, transmitting statement of typewriters, adding machines, and other labor-saving devices exchanged in part payment for new machines during the fiscal year ended June 30, 1926; to the Committee on Appropriations.

961. A communication from the President of the United States, transmitting supplemental estimate of appropriations for the Department of Commerce for oil-shale investigations for the fiscal year ending June 30, 1927, to remain available until June 30, 1928, amounting to \$70,000 (H. Doc. No. 702); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. KIESS: Committee on Insular Affairs. H. R. 16952. A bill to ratify and confirm act No. 3243 of the Philippine Legislature, approved November 27, 1925; without amendment (Rept. No. 2033). Referred to the House Calendar.

Mr. KIESS: Committee on Insular Affairs. S. 4933. An act authorizing an appropriation for public highways in the island of St. Thomas, Virgin Islands; without amendment (Rept. No. 2034). Referred to the Committee of the Whole House on the state of the Union.

Mr. SMITH: Committee on Irrigation and Reclamation. H. R. 16550. A bill authorizing the Secretary of the Interior to employ engineers and economists for consultation purposes on important reclamation work; without amendment (Rept. No. 2035). Referred to the Committee of the Whole House on the state of the Union.

Mr. HILL of Washington: Committee on Indian Affairs. H. R. 17044. A bill to provide funds for the upkeep of the Puyallup Indian cemetery at Tacoma, Wash.; without amendment (Rept. No. 2036). Referred to the Committee of the Whole House on the state of the Union.

Mr. KNUTSON: Committee on Indian Affairs. H. R. 15664. A bill to withdraw and reserve certain lands for the Chippewa Indians in the State of Minnesota; with amendment (Rept. No. 2037). Referred to the Committee of the Whole House on the state of the Union.

Mr. DRANE: Committee on Naval Affairs. H. R. 16994. A bill authorizing the acceptance by the Navy Department of a site for an aviation training field in the vicinity of Pensacola, Fla., and for other purposes; with amendment (Rept. No. 2038). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. LINTHICUM: Committee on Foreign Affairs. S. J. Res. 112. A joint resolution for the relief of Katherine Imbrie; with amendment (Rept. No. 2032). Referred to the Committee of the Whole House.

Mr. HASTINGS: Committee on Indian Affairs. H. R. 15410. A bill authorizing the enrollment of Carl J. Reid Dussome as a Kiowa Indian, and directing issuance of trust patents to him to certain lands of the Kiowa Indian Reservation, Okla.; without amendment (Rept. No. 2039). Referred to the Committee of the Whole House.

Mr. ANDREW: Committee on Naval Affairs. H. R. 15182. A bill granting six months' pay to Frank A. Grab, father of Alfred Newton Grab, deceased seaman, United States Navy, in active service; with amendment (Rept. No. 2040). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 12864) granting an increase of pension to Lydia A. Smiley; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 16012) granting a pension to Ravon Cawood; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HUDDLESTON: A bill (H. R. 17064) to forfeit the citizenship of Americans who enter the service of foreign governments in military operations; to the Committee on Immigration and Naturalization.

By Mr. MAGEE of Pennsylvania: A bill (H. R. 17065) to provide for an increase in salary of certain criers and bailiffs of United States district courts; to the Committee on the Judiciary.

By Mr. RAINEY: A bill (H. R. 17066) authorizing an appropriation of \$100,000 for the purchase of feed and seed grain to be supplied to farmers in the flood-stricken areas of the Illinois River Valley in Illinois; to the Committee on Agriculture.

By Mr. JOHNSON of South Dakota: A bill (H. R. 17067) to aid the Department Memorial Committee in the observance of Memorial Day; to the Committee on Military Affairs.

By Mr. ZIHLMAN: A bill (H. R. 17068) to exempt employees of the public-school system of the District of Columbia from the \$2,000 salary limitation provision of the legislative, executive, and judicial appropriation act, approved May 10, 1916, as amended; to the Committee on the District of Columbia.

By Mr. BACON: A bill (H. R. 17069) to require contractors and subcontractors engaged on public works of the United States to comply with State laws relating to hours of labor and wages of employees on State public works; to the Committee on Labor.

By Mr. MAGEE of Pennsylvania: A bill (H. R. 17070) to authorize a survey of the customs field service and an adjustment of salaries in that service in accordance with the survey; to the Committee on Ways and Means.

By Mr. HILL of Maryland: A bill (H. R. 17071) to place the agricultural industry on a sound commercial basis, to encourage national cooperative marketing of farm products, and for other purposes; to the Committee on Agriculture.

By Mr. REECE: A bill (H. R. 17072) allowing the rank, pay, and allowance of a colonel, Medical Corps, to medical officer assigned to duty as personal physician to the President; to the Committee on Military Affairs.

By Mr. BECK: Resolution (H. Res. 414) concerning presidential retirement after the second term; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial of the Legislature of the State of North Dakota, urging early enactment of the McNary-Haugen bill; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DEAL: A bill (H. R. 17073) making eligible for retirement, under the same conditions as now provided for officers of the regular naval service, Lieut. Commander William A. Hamilton, an officer of the United States Naval Reserve Force during the World War, who incurred physical disability in line of duty; to the Committee on Naval Affairs.

By Mr. DOWELL: A bill (H. R. 17074) granting an increase of pension to Alice Jordon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17075) granting an increase of pension to Mary E. Battels; to the Committee on Invalid Pensions.

By Mr. FREE: A bill (H. R. 17076) granting an increase of pension to Mary K. Slocum; to the Committee on Invalid Pensions.

By Mr. FURLOW: A bill (H. R. 17077) granting an increase of pension to Mary Fallon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17078) granting an increase of pension to Eunice J. Brooks; to the Committee on Invalid Pensions.

By Mr. GARBER: A bill (H. R. 17079) for the relief of Frank Fanning; to the Committee on Military Affairs.

By Mr. MORROW: A bill (H. R. 17080) for the relief of John Deacy; to the Committee on Military Affairs.

By Mr. REECE: A bill (H. R. 17081) for the relief of Capt. George R. Armstrong, United States Army, retired; to the Committee on Military Affairs.

By Mr. SMITHWICK: A bill (H. R. 17082) granting a pension to Julia L. Steele; to the Committee on Invalid Pensions.

By Mr. COLE: Joint resolution (H. J. Res. 354) to provide for the payment of an indemnity to the Chinese Government for the death of Chang Lin and Tong Huan Yah, alleged to have been killed by members of the armed forces of the United States; to the Committee on Foreign Affairs.

By Mr. PORTER: Joint resolution (H. J. Res. 355) to provide for the payment of an indemnity to the British Government to compensate the dependents of Edwin Tucker, a British subject, who was killed by a United States Army ambulance in Colon, Panama; to the Committee on Foreign Affairs.

By Mr. COLE: Joint resolution (H. J. Res. 356) to provide for payment of the claim of the Government of China for compensation of Sun Jui-chin for injuries resulting from an assault on him by a private in the United States Marine Corps; to the Committee on Foreign Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6419. Petition of the United Mine Workers of America at the thirtieth constitutional convention held at Indianapolis, Ind., January 25 to February 2, urging Congress to investigate and exercise its power to relieve the bituminous coal industry from the oppressive burden of uneconomic freight rates; to the Committee on Interstate and Foreign Commerce.

6420. Petitions of numerous citizens of Liberty Center, Ohio, not to pass the compulsory Sunday observance bill (S. 4821) aiming to close barber shops and beauty parlors on Sunday in the District of Columbia; to the Committee on the District of Columbia.

6421. Petitions of several citizens of Elgin and Venedocia, Ohio, against compulsory Sunday observance bills (H. R. 7179, 7322, 10123, and 10311) or any other national religious legislation pending; to the Committee on the District of Columbia.

6422. By Mr. ANTHONY: Petition of citizens of Topeka, Kans., urging enactment of Civil War pension legislation; to the Committee on Invalid Pensions.

6423. By Mr. BACON: Petition of National Society of Daughters of the Union, presented by Mrs. Frances W. Monell, president general, to take immediate action on House bill 13450, known as the Elliott pension bill, which increases the pensions of Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

6424. By Mr. BARBOUR: Petition of residents of Stanislaus County, Calif., protesting against passage of House bill 10311, the Sunday rest bill for the District of Columbia; to the Committee on the District of Columbia.

6425. By Mr. BERGER: Memorial of the Federated Trades Council of Milwaukee, protesting against any interference on the part of the United States in the efforts of Mexico to regain for their own benefit the natural resources of their country; to the Committee on Foreign Affairs.

6426. By Mr. CELLER: Petition of National Council of Traveling Salesmen's Associations of America, United Commercial Travelers of America, and Commercial Travelers' Mutual Association of America; to the Committee on Ways and Means.

6427. By Mr. DEAL: Petition from citizens of Fentress, Va., requesting Civil War pension legislation; to the Committee on Invalid Pensions.

6428. By Mr. DRIVER: Petition signed by citizens of Palestine, Ark., indorsing legislation for the relief of the Civil War veterans, their widows, and dependents; to the Committee on Invalid Pensions.

6429. By Mr. DICKINSON of Missouri: Petition by five citizens of Butler, Bates County, Mo., urging that immediate steps be taken to bring to a vote a Civil War pension bill increasing pensions of Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

6430. Also, petition by 27 voters of Bates County, Mo., urging that immediate steps be taken to bring to a vote a Civil War pension bill increasing pensions of Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

6431. Also, petition by 34 citizens of Henry County, Mo., urging that immediate steps be taken to bring to a vote a Civil War pension bill increasing the pensions of Civil War veterans and the widows of Civil War veterans; to the Committee on Invalid Pensions.

6432. Also, petition by 16 citizens of Cedar County, Mo., urging that immediate steps be taken to bring to a vote a Civil War pension bill increasing the pensions of Civil War veterans and the widows of Civil War veterans; to the Committee on Invalid Pensions.

6433. By Mr. EVANS: Petition of citizens of Philipsburg, Mont., urging immediate action on legislation increasing Civil War pensions; to the Committee on Invalid Pensions.

6434. By Mr. ROY G. FITZGERALD: Petition of Calvin Wilson, College Corner, Ohio; C. L. Williams, Camden, Ohio; Mary Simpson, Fairhaven, Ohio, and other citizens of Preble County, Ohio, urging the passage of House bill 10311, Sunday rest bill for the District of Columbia; to the Committee on the District of Columbia.

6435. Also, petition of 29 voters of Oxford, Butler County, Ohio, praying for the passage of a bill to increase the pensions of Civil War veterans, their widows and dependents; to the Committee on Invalid Pensions.

6436. Also, petition of the Inter-Chapter Council, composed of six chapters of Los Angeles, to vote on House bill 4548 at the earliest possible date before adjournment, thus rendering belated justice to and correcting unjust discrimination against disabled emergency Army officers of the World War; to the Committee on Rules.

6437. Also, petition of the Southern California Branch, Gold Star Mothers, composed of all southern California, asking that a vote be had on House bill 4548 as early as possible before the adjournment of Congress, thus rendering belated justice to and correcting unjust discrimination against disabled emergency Army officers; to the Committee on Rules.

6438. By Mr. GALLIVAN: Petition of Albert K. Tapper, president Boston Grain & Flour Exchange, Milk and India Streets, Boston, Mass., vigorously opposing the McNary-Haugen farm bill as vicious class legislation; to the Committee on Agriculture.

6439. By Mr. GARBER: Petition urging enactment of legislation for relief of Civil War veterans and widows of veterans from the citizens of Cherokee, Okla.; to the Committee on Invalid Pensions.

6440. Also, petition urging enactment of legislation for relief of Civil War veterans and widows of veterans from the citizens of Drummond, Waukomis, and Enid, Okla.; to the Committee on Invalid Pensions.

6441. Also, petition of the directors of the Chamber of Commerce of Minneapolis, Minn., opposing enactment of the McNary-Haugen bill; to the Committee on Agriculture.

6442. Also, petition urging enactment of legislation for relief of Civil War veterans and widows of veterans from the citizens of Enid, Okla.; to the Committee on Invalid Pensions.

6443. Also, petition of the Philadelphia Board of Trade, opposing the enactment of the McNary-Haugen bill; to the Committee on Agriculture.

6444. Also, petition of the Oklahoma Retail Jewelers' Association, indorsing House bill 16545, sometimes known as the national platinum marking act, 1927; to the Committee on Interstate and Foreign Commerce.

6445. Also, petition of the Jewelry Crafts Association (Inc.), New York City, indorsing House bill 16545, known as the national platinum marking act, 1927; to the Committee on Interstate and Foreign Commerce.

6446. Also, petition of the National Federation of Federal Employees, urging the enactment of legislation to provide for uniform adjustment of compensation rates throughout the Federal service; to the Committee on the Civil Service.

6447. By Mr. HALL of North Dakota: Petition of 80 residents of Jamestown, N. Dak., recommending the passage by Congress of additional legislation for the benefit of veterans of the Civil War and widows of veterans; to the Committee on Invalid Pensions.

6448. By Mr. HAYDEN: Petition signed by 45 citizens of Phoenix Ariz., urging that immediate steps be taken to bring to a vote a Civil War pension bill carrying rates proposed by the National Tribune; to the Committee on Invalid Pensions.

6449. By Mr. HUDSON: Petition of citizens of Flint, Mich., opposing the enactment of legislation for compulsory Sunday observance; to the Committee on the District of Columbia.

6450. Also, petition of citizens of the sixth congressional district of Michigan, urging Civil War pension legislation; to the Committee on Invalid Pensions.

6451. By Mr. KINDRED: Petition of Lieut. H. L. McCorkle Camp, No. 2, United Spanish War Veterans, urging the Senate and House of Representatives to defeat that section of bill introduced in Congress which pertains to the taking over of all National Soldiers' Homes by the United States Veterans' Bureau; to the Committee on World War Veterans' Legislation.

6452. By Mr. KVALE: Petition of Traverse County Council of Agriculture, urging passage of the McNary-Haugen bill; to the Committee on Agriculture.

6453. Also, petition of delegates to the annual meeting of the State Farm Mutual Automobile Insurance Co., urging immediate

passage of the McNary-Haugen bill; to the Committee on Agriculture.

6454. Also, petition of North Side Post, No. 230, of the American Legion, Minneapolis, Minn., urging that immediate steps be taken by Congress to bring waterway transportation above St. Anthony Falls; to the Committee on Rivers and Harbors.

6455. By Mr. MAJOR: Petition of citizens of Slater, Mo., urging the immediate passage of Civil War pension bill providing increases of pension for needy and suffering veterans and widows of veterans; to the Committee on Invalid Pensions.

6456. Also, petition of citizens of Marshall, Mo., urging the immediate passage of Civil War pension bill providing for increases of pension for needy and suffering veterans and widows of veterans; to the Committee on Invalid Pensions.

6457. By Mr. MAPES: Petition of 24 residents of Grand Rapids, Mich., recommending the passage by Congress of additional legislation for the benefit of veterans of the Civil War and widows of veterans; to the Committee on Invalid Pensions.

6458. By Mr. MOORE of Kentucky: Petition signed by 35 voters of Simpson County, Ky., urging early and favorable action on the Elliott pension bill; to the Committee on Invalid Pensions.

6459. By Mr. MORGAN: Petition by the citizens of Richland County, Ohio, favoring increase for Civil War pensions; to the Committee on Invalid Pensions.

6460. By Mr. MORROW: Petition of citizens of Bernalillo, N. Mex., indorsing legislation for Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

6461. By Mr. MURPHY: Petition by voters of East Liverpool, Ohio, urging that immediate steps be taken to bring to a vote a Civil War pension bill in order that relief may be accorded to needy and suffering veterans and widows; to the Committee on Invalid Pensions.

6462. Also, petition by some 50 voters in Winona, Ohio, urging that all international questions be settled by negotiation or arbitration and not by war; to the Committee on Foreign Affairs.

6463. By Mr. O'CONNELL of New York: Petition of the Steamship Terminal Operating Corporation of New York, favoring the passage of Senate bill 3170, known as the Cummings Act; to the Committee on the Judiciary.

6464. Also, petition of the Lieutenant H. L. McCorkle Camp, No. 2, United Spanish War Veterans, Department of Tennessee, opposing the passage of legislation which pertains to the taking over of all National Soldiers' Homes by the Veterans' Bureau; to the Committee on World War Veterans' Legislation.

6465. Also, petition of the Chamber of Commerce of Minneapolis, opposing the passage of the Haugen bill; to the Committee on Agriculture.

6466. Also, petition of the Lieutenant H. L. McCorkle Camp, United Spanish War Veterans, favoring Gen. George H. Woods be retained and reappointed as a member of the board of managers of the National Soldiers' Homes; to the Committee on Appropriations.

6467. Also, petition of the International Broom and Whisk Makers Union, favoring the passage of the Cooper bill; to the Committee on Labor.

6468. By Mr. PATTERSON: Petition of residents of Williamstown, Gloucester County, N. J., urging increase of pensions for veterans of the Civil War and widows of veterans; to the Committee on Invalid Pensions.

6469. By Mr. PHILLIPS: Petition of citizens of Lawrence County, Pa., urging Congress to bring to a vote a Civil War pension bill, that further relief may be accorded to needy and suffering veterans and widows of veterans; to the Committee on Invalid Pensions.

6470. Also, petition of citizens of Lawrence County, Pa., urging Congress to bring to a vote a Civil War pension bill, that further relief may be accorded to needy and suffering veterans and widows of veterans; to the Committee on Invalid Pensions.

6471. Also, petition of citizens of Lawrence County, Pa., urging Congress to bring to a vote a Civil War pension bill, that further relief may be accorded to needy and suffering veterans and widows of veterans; to the Committee on Invalid Pensions.

6472. Also, petition of citizens of Lawrence County, Pa., urging an amendment to the Constitution in which acknowledgment is made of the authority of Christ and of the law of God; to the Committee on the Judiciary.

6473. Also, petition of citizens of Lawrence County, Pa., urging Congress to bring to a vote a Civil War pension bill, that further relief may be accorded to needy and suffering veterans and widows of veterans; to the Committee on Invalid Pensions.

6474. Also, petition of the congregations of the Eau Claire and East Unity United Presbyterian Churches, Butler County,

Pa., urging the passage of House bill 10311, known as the Lankford Sunday rest bill; to the Committee on the District of Columbia.

6475. Also, petition of citizens of Lawrence County, Pa., urging the passage of House bill 10311, known as the Lankford Sunday rest bill; to the Committee on the District of Columbia.

6476. By Mr. RAINEY: Petition of T. H. Downs and 48 other citizens of Athensville, Ill., favoring Civil War pension bill carrying rates approved by the National Tribune; to the Committee on Invalid Pensions.

6477. By Mr. REID of Illinois: Petition signed by numerous residents of Aurora, Ill., urging the passage of legislation for the benefit of the veterans of the Civil War and widows of veterans; to the Committee on Invalid Pensions.

6478. By Mr. SCHNEIDER: Petition of voters of Green Bay, Wis., urging legislative relief for veterans and widows of the Civil War; to the Committee on Invalid Pensions.

6479. Also, petition of voters of Dunbar, Wis., urging legislative relief for veterans and widows of the Civil War; to the Committee on Invalid Pensions.

6480. By Mr. SHREVE: Petition by Mary A. Phillips and 12 other citizens of Erie, Pa., asking for immediate passage of Civil War pension legislation affording relief to needy and suffering veterans and widows of veterans; to the Committee on Invalid Pensions.

6481. Also, two petitions from citizens of Tryonville, Crawford County, Pa., asking for the early enactment of pension legislation granting increase in pensions to Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

6482. By Mr. STALKER: Petition signed by sundry citizens of Cohocton, Steuben County, N. Y., urging the enactment of a Civil War pension bill to increase pensions of Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

6483. Also, petition of sundry citizens of Corning, Steuben County, N. Y., urging the passage of a Civil War pension bill in order that relief may be accorded to needy and suffering veterans and widows of veterans; to the Committee on Invalid Pensions.

6484. By Mr. SUMMERS of Washington: Petition signed by C. D. Hessey and 15 others, of Yakima, Wash., urging that the Civil War pension bill now pending be given prompt consideration; to the Committee on Invalid Pensions.

6485. By Mr. SWEET: Petition of Sons of Union Veterans of the Civil War, of thirty-second district, New York, in favor of House bill 13450; to the Committee on Invalid Pensions.

6486. By Mr. TEMPLE: Petition of a number of residents of Taylorstown and neighboring towns in Washington County, Pa., in support of the Lankford Sunday-rest bill (H. R. 10311); to the Committee on the District of Columbia.

6487. Also, petition asking for the employment of American mechanics and workmen in the American shipbuilding yards; to the Committee on the Merchant Marine and Fisheries.

6488. By Mr. VARE: Petition of Federal employees of the depot of supplies, United States Marine Corps, No. 1100 South Broad Street, Philadelphia, Pa., urging passage of House bills 359, 12930, and 14696; to the Committee on the Civil Service.

6489. Also, petition of George Rines, Emma Kinis, A. M. Benson, et al, of the city of Philadelphia, Pa., opposing House bill 10311; to the Committee on the District of Columbia.

6490. By Mr. WATSON: Petition of Montgomery County Federation of Women's Clubs, favoring the enforcement of the Volstead Act and the influence that may be brought about by the strength of virtue; to the Committee on Alcoholic Liquor Traffic.

6491. Also, petition in opposition to the compulsory Sunday observance bills; to the Committee on the District of Columbia.

6492. By Mr. WELLER: Petition of citizens of the twenty-first congressional district of New York, in opposition to House bill 10311; to the Committee on the District of Columbia.

6493. By Mr. WOOD: Petition signed by residents of Griffith, Lake County, Ind., asking that the Civil War pension bill become a law at this session of Congress; to the Committee on Invalid Pensions.

6494. Also, petition signed by residents of Valparaiso, Ind., asking that the Civil War pension bill become a law at this session of Congress; to the Committee on Invalid Pensions.